Daily Report

Latin America

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CONTENTS

INTER-AMERICAN AFFAIRS

Inter-American Affairs: Cavallo Opens IDB Annual Meeting *[NOTICIAS ARGENTINAS]* 1
Inter-American Affairs: Ministers Address IDB Assembly *[Madrid EFE]* 1
Inter-American Affairs: U.S. Secretary on C.A. Compensation *[LA PRENSA 24 Mar]* 2
Inter-American Affairs: Chamorro Saysa C.A. 'Reliable' *[NOTIMEX]* 3

CARIBBEAN

Cuba

Cuba: Robaina Says Airspace Violated by Planes 23-24 Mar *[Madrid EFE]* 4
Cuba: U.S. Blamed for Nonpayment of Compensation *[PRENSA LATINA]* 4
Cuba: CTC Calls For Rejection of Helms-Burton Law *[PRENSA LATINA]* 5
Cuba: Castro Says 'No Alternatives to Socialism' *[PRENSA LATINA]* 5
Cuba: Helms-Burton Law Creates 'Difficult' Situation *[PRENSA LATINA]* 6
Cuba: Envoy to UN Commission Denounces Helms-Burton Law *[Havana Radio]* 7

MEXICO

Mexico: Proposed Joint U.S. Military Maneuvers Criticized *[LA JORNADA 22 Mar]* 8

CENTRAL AMERICA

Panama

Panama: Political Parties Discuss U.S. Military Presence *[LA ESTRELLA DE PANAMA 26 Mar]* 9

SOUTH AMERICA

Argentina

Argentina: Minister To Deliver 'Arafat Message to Peres *[TELAM]* 10
Argentina: Menem Willing To Mediate in Middle East *[TELAM]* 10
Argentina: Interior Minister on Meeting With 'Arafat *[NOTICIAS ARGENTINAS]* 10
Argentina: Military Dictatorship Called 'Day of Horror' *[TELAM]* 11
Argentina: New Ambassador to Czech Republic Appointed *[TELAM]* 12
Argentina: Minister Seeks U.S. Permission To Purchase Arms *[NOTICIAS ARGENTINAS]* 12

Brazil

Brazil: Army Pressures Government for Earmarked Funds *[FOLHA DE SAO PAULO 23 Mar]* 12
Brazil: PMDB Leader Views Convention Outcome *[Rio de Janeiro TV]* 13
Brazil: PMDB Convention Absenteeism Not Caused by Cardoso *[AGENCIA ESTADO]* 14
Brazil: Argentina, Brazil To Sign Space Accord *[GAZETA MERCANTIL, etc.]* 15

Chile

Chile: Possible Free Trade Agreement With Canada Noted *[EL MERCURIO 23 Mar]* 15
Chile: Insulza, Garcia Praise Accord With Mercosur *[EL MERCURIO 24 Mar]* 16
Chile: Canadian Trade Minister Interviewed on Accord *[ESTRATEGIA 25 Mar]* 16

Chile: First Round of Talks With EU To Begin *[EL MERCURIO 25 Mar]* 18
Chile: Finnish Minister Starts Latin American Trade Tour *[Helsinki Radio]* 19
Chile: First Rabies Death Since 1972 *[LA NACION 8 Mar]* 19

Colombia

Colombia: Comptroller Discusses Elections, Corruption *[Santa Fe de Bogota Radio]* 20
Colombia: Samper Rejects Resignation Option *[EL TIEMPO 25 Mar]* 20
Colombia: Samper Says Solution Must Be 'Viable' *[Madrid EFE]* 20
Colombia: INPEC Bolsters Security Measures Around Medina *[NOTIMEX]* 21
Colombia: Samper's Election Proposal Said 'Appalling' *[EL TIEMPO 24 Mar]* 21
Colombia: 'Little Progress' Seen in Cartagena Meeting *[EL TIEMPO 25 Mar]* 22
Colombia: Poll Shows Politicians' Approval Ratings *[SEMANA 19-26 Mar]* 23
Colombia: Article Views President Samper's Options *[EL TIEMPO 24 Mar]* 24
Colombia: Article Criticizes U.S. Envoy, Urges Unity *[EL ESPECTADOR 22 Mar]* 25
Colombia: Businessmen Differ on FTAA Mechanisms, Scope *[EL TIEMPO 24 Mar]* 25
Colombia: Effect of Crisis on Position Within NAM Viewed *[EL TIEMPO 24 Mar]* 26
Colombia: Measures To Fight Money Laundering Announced *[Santa Fe de Bogota Radio]* 27

Ecuador

Ecuador: Polls Show Nebot Leading Presidential Candidate *[Quito Radio]* 27
Ecuador: Peru's Accusations on Troops Denied *[Quito Radio]* 27
Ecuador: Differing Outcome of Recent Strike Viewed *[Madrid EFE]* 27

Paraguay

Paraguay: Minister on Lack of U.S. Support To Fight Drugs *[NOTICIAS 26 Mar]* 28
Paraguay: Ministry Protests Lack of U.S. Antinarcotics Aid *[NOTICIAS 26 Mar]* 28
Paraguay: Country Fighting Drugs in 'Solitude' *[NOTICIAS 26 Mar]* 29

Peru

Peru: Reported Troop Increase on Ecuadoran Border Denied *[Madrid EFE]* 29
Peru: Daily Assesses Appointment of New U.S. Ambassador *[EXPRESO 22 Mar]* 30

Suriname

Suriname: Barred Opposition Parties Allowed Into Elections *[Rotterdam NRC HANDELSBLAD 23 Mar]* 30

Inter-American Affairs: Cavallo Opens IDB Annual Meeting

PY2603230396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1600 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (NA) — Economy Minister Domingo Cavallo today urged participants in the Inter-American Development Bank [IDB] meeting to fight against "the wasteful use of public funds, corruption, and tax evasion" to obtain genuine budgetary resources that will make it possible "to improve education and health care and provide old-age pensioners" from Latin America "with a decent pension."

The economy minister exhorted participants to combat money laundering through international cooperation because "tax havens and countries having legislation that seems to have been drafted to facilitate money laundering cannot be considered as necessary ingredients of capital market operations."

Cavallo warned: "Anything that seeks to undermine nations' fiscal soundness and protects corruption perverts our free economic institutions and constitutes an attempt against the well-being of our peoples."

The head of the Economy Ministry made these remarks during the opening ceremony of the 37th Annual Meeting of IDB Governors, which will end deliberations in Buenos Aires on 27 March.

Cavallo, who was nominated chairman of the meeting, sounded the following alert: "The genesis of many domestic economic crises, which then become globalized via financial and commercial activities, is to be found in the weakness of each country's institutions to prevent the squandering of money, to eradicate corruption, and to enforce tax laws."

The economy minister insisted: "To extricate ourselves from a crisis that has for decades kept the economies of our countries stagnated entails many sacrifices, but it will be easier to shoulder this burden if endeavors are made to eliminate privileges and injustices stemming from wastefulness, corruption, and tax evasion."

Cavallo said that the success of this struggle "will be instrumental in obtaining genuine budgetary resources to enhance education and our children's and youngsters' health, and to provide a decent living for our old-age pensioners."

In this context, the economy minister underscored that "the (Argentine) Government has been successful in dismantling a corrupt system involving state-run enterprises and in putting an end to budgetary indiscipline and galloping inflation.

Cavallo also stressed that "considerable" improvement can be seen in the border control system. He noted that "clarity has been introduced into financial operations."

The minister added: "We have just reestablished the nominative shares and our tax legislation levies higher taxes on assets or profits of companies established in fiscal havens or pursuant to off-shore [preceding word in English] legislation."

The minister in charge of the economic portfolio underlined that "if we are committed to fighting poverty and marginalization, it is of utmost importance to make headway so that there will be a much greater number of law-abiding citizens and a crackdown on crime."

To that effect, Cavallo called upon participants "to make rapid and efficacious strides in international cooperation because, given the nature of these crimes, no action taken by one country in isolation can be fully effective."

Cavallo argued: "We must leave aside euphemisms. Tax havens and countries having legislation that seems to have been drafted to facilitate money laundering cannot be considered as necessary ingredients of capital market operations."

At another point in his speech, the minister underlined the economic and political stability that prevail in Argentina at present and asserted that "there can be no going back on the prevailing democratic system and the economic and social transformations undertaken over the last few years because they have the Argentine public's support."

Cavallo acknowledged that the Argentine economy was enmeshed in a "serious" recession in 1995. He nonetheless asserted that "if, instead of defending stability and market economy reforms in 1995, we had bowed to proposals for devaluing our currency and easing monetary controls, unemployment would have been much higher now."

In concluding, the minister emphasized that the incumbent administration "is determined to transform the problem of unemployment into an opportunity for bringing about more vigorous economic development." He reiterated that it is central to "streamline labor regulations, reduce social security costs, and enhance the education and qualifications of the labor force."

Inter-American Affairs: Ministers Address IDB Assembly

PY2603232196 Madrid EFE in Spanish 2225 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (EFE) — Speaking at the annual assembly of the Inter-American

Development Bank, IDB, Uruguayan Economy Minister Luis Mosca today suggested a greater efficiency in the administration of the Multilateral Investment Fund (Fomin).

He acknowledged the importance of this line of credit that was created with a sum of $1.3 billion to encourage small enterprises and micro enterprises.

"Moreover, we believe that the number of projects that have been approved to date and the difficulties that have been observed in the identification and preparation of new operations make one believe that the Fomin has still not achieved a level whereby it functions in accordance with the substantial funds that it has at hand."

In the name of Uruguay, he requested that the IDB expand its cooperation in the preparation of projects and in the institutional strengthening of the lesser developed nations of the inter-American system.

The rest of his address was dedicated to Uruguay's economic situation, and the reform of the state, the educational and social security sectors.

During his address to the IDB's annual assembly, Nicaraguan Economy Minister Pablo Pereira today asked the IDB for increased resources in order to expand the economic reforms of Latin America's poorer countries.

Pereira asked the IDB president, Uruguayan Enrique Iglesias, for a solution to such problems as "the deficit in the assignation of the Special Operations Fund (FOE) that Nicaragua is facing in the 1994-97 period."

He also indicated that the $2 billion assigned in the eighth reinvestment of IDB funds (which began in 1994) to help five of the region's countries was "insufficient."

The minister also told the IDB's governor that the region's poorer countries, which are grouped in the D category, need financial support in order to invest in infrastructure that will allow a productive reactivation and an advance in the reform of the state.

Pereira said that "the establishing of a consensus regarding equity within the region is necessary, and this is an aspect that will have to be looked into by Domingo Cavallo, the new president of the Assembly" of Governors.

The official also expressed his concern about "the heavy load represented by servicing of the debt" that is being suffered by the region's poorer countries such as Nicaragua.

"In this respect, we hope that the IDB will support the initiative that has been taken by the World Bank for the creation of a fund that will alleviate the debts" of those countries.

The Nicaraguan minister congratulated Enrique Iglesias for having known how to "preserve the region from the effects of the economic crisis that Mexico and Argentina suffered" in 1995.

He added that "under this authority, the countries of Central America have overcome with difficulty the impact to their fragile economies and attempts at integration," and they have demonstrated that they have the capability to face the readjustments that are being demanded, he added.

The minister stated that in order to proceed with this process of change, there is a need for greater flexibility in the functioning of the aid mechanisms that are granted by the organization.

Inter-American Affairs: U.S. Secretary on C.A. Compensation

PA2703011196 Managua LA PRENSA in Spanish 24 Mar 96 pp 1, 8

[Report by Miguel Lopez]

[FBIS Translated Text] U.S. Secretary of Commerce Ronald Brown said during a news conference after the conclusion of the Central America-U.S. Trade and Investment Forum, that the Nicaraguan Government has presented a proposal to compensate U.S. citizens, which includes international arbitration, if they disagree with the indemnity.

Brown explained that the Nicaraguan Government presented a new indemnity offer to U.S. citizens in late April [as published] and those who disagree may resort to international arbitration at the international center for investment dispute resolutions, under the World Bank.

The U.S. secretary of commerce also discussed free trade and regional integration in the Central America-U.S. Trade and Investment Forum, which will be permanent and in 1997 will be held in Guatemala.

"This conference is really aimed at continuing the work to advance toward our final goal of hemispheric integration, of building a free trade area of the Americas in the year 2005," the high-ranking U.S. official stated.

"With free trade areas proliferating around the world and even in our own region, we could think that it is unnecessary to speak about the benefits of free trade. Regrettably, after noting that trade is liberalizing and that free trade is good for business and workers, we still find those principles under attack," Brown remarked in his speech.

However, some industrialists reject a free trade agreement because they believe Nicaragua would be at a complete disadvantage for various reasons.

First, because Nicaraguan industry cannot compete, in terms of prices, with industries in the Central American isthmus. The high taxes on imported raw materials to which national industry is subjected does not allow the competition encouraged by the free trade agreements.

Consequently and second, because while Nicaraguan products are difficult to introduce into other markets, in Nicaragua customs duties would be lost by allowing the entry of merchandise from the free trade zone.

Meanwhile, the U.S. secretary of commerce voiced his satisfaction over the privatization of telecommunications. The U.S. secretary of commerce arrived in Nicaragua from Colombia and Panama.

The Central America-U.S. Trade and Investment Forum concluded with the signing of agreements between participating sectors. Among these agreements are: Examining in these forums specific commerce and investment projects on the basis of previously established programs; encouraging Central American and U.S. private sectors to participate in these forums; and identifying business opportunities regarding trade, investments, and exchanging information.

Inter-American Affairs: Chamorro Says C.A. 'Reliable'

PA2703022596 Mexico City NOTIMEX in Spanish 2151 GMT 22 Mar 96

[FBIS Translated Text] Managua, 22 Mar (NOTIMEX) — President Violeta Barrios de Chamorro said today that Central American countries overcame the traumas of the past decade, which is why this region is now reliable for businesses and investments.

"Central America is now a politically and economically stable region, highly promising and reliable for businesses and investments," Chamorro affirmed in inaugurating the Central American - U.S. Commerce and Investment Forum.

"The traumas of the 1980's have been left behind," she said to U.S. Commerce Secretary Ronald Brown and representatives of Central American and U.S. companies who are attending the forum.

She was thus referring to the domestic strife that raged for eight and 12 years in Nicaragua and El Salvador, respectively, and ended in 1990 in Nicaragua, and in 1992 in El Salvador.

"Central Americans stand before a great opportunity to begin a new phase of dynamic and sustainable development. We keep in mind our own situations at home, situations that are nonetheless integrated into the broadest framework of the region," she added.

"The governments of the region are working in close coordination with the private sector to consolidate the necessary conditions that generate competitive advantages and attract foreign capital," she affirmed.

The president explained that the Central American presidents "have repeatedly confirmed our commitment to advance in a new phase of integration that overcomes the limitations and deficiencies of the integration model of the 1960's."

According to Chamorro, the new integration of the isthmus rests on "a new joint and coordinated opening to the world economy, international competition, and strengthening the competitive capacity of the region as a whole." Chamorro said she supports the incorporation of Central America into the Free Trade Area of the Americas [FTAA], expected to be finalized in 2005, "while recognizing at the same time our regions' natural tendency to have a close link with the U.S. market."

The president mentioned the economic achievements of her administration, highlighting the control on hyperinflation, consolidation of sustained economic growth, and export increases.

Chamorro also added that the Nicaraguan state is now performing "its new role of subsidizer and facilitator," referring to the centralized economy implemented by the government of the now rival Sandinist National Liberation Front (FSLN) from 1979 to 1990.

"We have returned to private hands almost all of the 350 companies that were under state control, and that in 1989 represented one third of national production in an economy that was seized and controlled by the Sandinist government," she said.

"With all these changes, Nicaragua has created the appropriate conditions to attract investments from Nicaraguans, our Central American brothers, and the rest of the world," she noted.

Chamorro mentioned the general elections scheduled for 20 October and affirmed they will be "the most transparent, fair, free, and honest elections in our history." The upcoming elections will be "held in a climate of peace, liberty, and democracy," she stated.

"These elections will also close in Central America the cycle in which countries have succeeded in carrying out at least two consecutive transitions of government in a democratic manner," she stressed.

In addition, Economy and Development Minister Pablo Pereira said that the United States is Central America's top trading partner, noting that the destination of 40 percent of the region's exports is that country.

Pereira stressed it is important that the business sector join the efforts by the area governments to reach economic recovery. Approximately 50 representatives of companies from the isthmus and 70 from the United States are attending the one-day forum that was inaugurated this morning.

Cuba

Cuba: Robaina Says Airspace Violated by Planes 23-24 Mar

PA2603225696 Madrid EFE in Spanish 2203 GMT 26 Mar 96

[FBIS Translated Excerpt] Havana, 26 Mar (EFE) — Cuban Foreign Relations Minister Roberto Robaina confirmed today four lightplanes violated Cuban airspace on 23 and 24 March. Robaina summoned the entire diplomatic corp accredited in Havana this morning to report on this development, and to warn that Cuba will not tolerate this.

At the meeting, which was attended by all heads of mission except for Joseph Sullivan, head of the U.S. Interest Section in Cuba, Robaina insisted on his country's right to defend its sovereignty, diplomatic sources reported.

In Washington, a ranking White House official told EFE, after learning about Robaina's statements, that the United States "is not certain" that such violations of Cuban airspace actually occurred.

The minister, according to the same sources, described the pilots involved as agitators who think they have a right to act with impunity, and he criticized the U.S. Government's inability to control them. However, diplomatic sources told EFE that the speech was "measured," and that Cuba does not want to provoke an escalation of this conflict with the United States.

According to the minister's version, two aircraft entered Cuban airspace on Saturday and another two on Sunday, and one of them came as close as five or six miles from the Cuban coast. Robaina explained that the pilots of the aircraft did not respond to the call from air traffic control in Havana, nor did they identify themselves.

These flights took place exactly one month after the 24 February incident, when the Cuban Air Force downed two other aircraft from the anti-Castro organization "Brothers to the Rescue."

In addition, the incursions coincide with the presence in Cuba of specialists from the International Civil Aviation Organization (ICAO), who arrived here on Sunday to begin an investigation on the downing of the two aircraft by Cuban MiG fighter planes. [passage omitted]

Cuba: U.S. Blamed for Nonpayment of Compensation

PA2703042396 Havana PRENSA LATINA in Spanish 2018 GMT 24 Mar 96

[FBIS Translated Text] Havana, 24 Mar (PL) — Cuba said today the U.S. Government is responsible for the nonpayment of due compensation to U.S. citizens after 1959 for the nationalization of their assets in this country.

President William Clinton on 12 March signed the Helms-Burton law that intensifies the economic blockade against the island and punishes countries, groups, or persons "trafficking" with properties reportedly confiscated by the Cuban Government.

Cuba started in July 1960 a process to nationalize properties of locals and foreigners, based on public interest, international law, and the Constitution that was in force at the time, a ranking official of the Cuban Foreign Ministry (Minrex) recalled today.

Carlos Fernandez de Cossio, director of the ministry's U.S. and Canada Section, told national television that Law 851, issued specifically for U.S. citizens, called for the payment of expropriated properties from a fund created by a surplus of national sugar sales to Washington.

But the U.S. Government, as soon as it realized that the payment mechanism would involve sugar, suspended purchases of this product, Fernandez de Cossio explained.

The United States is, thus, to blame for the nonpayment of due compensation to U.S. citizens for their nationalized properties.

Cuba proposed a mechanism for this purpose, in keeping with international practice, that made Washington solely responsible to the Cuban Government or to the claimants, the Foreign Ministry official noted.

The United States blocked this initiative, Fernando Cossio added, and summoned other countries such as Canada, Switzerland, Spain, Italy, and Mexico, which reacted differently although they were also affected. These countries accepted the compensation mechanism "and did not use the nationalization process to develop a hostile policy toward Cuba."

The television report recalled that in 1964 the U.S. Supreme Court itself declared, by an eight to one vote, that the Cuban nationalization was valid, and called for a "negotiated" solution.

He added that the U.S. Supreme Court abstained from handling cases of this nature for considering them "acts of state" but "today the new law (Helms-Burton) aims to rebel against the country's own courts."

The recent coming into force of the anti-Cuban measure has unleashed an international wave of criticism and protests against U.S. plans to internationalize the siege on Havana and to violate world commerce regulations.

Cuba: CTC Calls For Rejection of Helms-Burton Law

PA2603152796 Havana PRENSA LATINA in Spanish 1704 GMT 25 Mar 96

[FBIS Translated Text] Havana, 25 Mar (PL) — The Cuban Workers Federation (CTC) today called on the world's labor movements to condemn the Helms-Burton law and demand that their governments oppose this measure, which violates international law.

In a communique carried by TRABAJADORES — the CTC's official publication — on Monday, the CTC reported that this anti-Cuban legislation attempts "to deprive us of our manufacturing plants, hospitals, schools, day care centers, and farms, all of them publicly owned.

The document says the law, which was signed by U.S. President William Clinton on 12 March, originated with the "Cuban-born, far-rightists living in the United States and the most conservative members of the U.S. administration."

It continues to say that the Helms-Burton law interferes with a country's sovereign decision to maintain economic and commercial relations with Cuba and it stipulates penalties for countries, enterprises, or citizens of the world who ignore the White House's decree on the matter.

The CTC communique described as criminal the embargo that Washington has imposed on Havana for more than three decades. The document says that the United States has four times ignored the UN's rejection of this economic, financial, and commercial siege.

After affirming that countries and people should lash out at such a humiliation, the communique confirms the Cuban workers' determination to resist this new aggression and "defend our survival as a sovereign and independent nation."

Cuba: Castro Says 'No Alternatives to Socialism'

PA2603192396 Havana PRENSA LATINA in Spanish 1118 GMT 26 Mar 96

[FBIS Translated Text] Havana, 26 Mar (PL) — President Fidel Castro has said that there are no alternatives to socialism and the Revolution in Cuba, because anything else would mark the loss of the social achievements and independence.

Closing the Fifth Plenum of the Communist Party of Cuba's (PCC) Central Committee this past weekend, Castro, who is also first secretary of the organization, said: "We are struggling for the survival of the homeland and the Revolution. Ideological strength lies at the base of this survival."

According to the official newspaper GRANMA, which reported today on the meeting attended by more than 200 political leaders, ministers, officials, and high-ranking officers, Castro underlined the need to reinforce the ideological activity at all levels at this time of bitter U.S. hostility.

"We never had more need for the revolutionary ideology than today," Castro said. He added that, when the strategy to deal with the country's present stage was devised, whether or not the country would remain socialist was never spoken of or debated.

After saying that he never stopped speaking of socialism or Marxism-Leninism because he always believed and will continue to believe in them, he recalled that "the history of the Revolution is the predominant struggle for revolutionary ideology."

This battle, he said, started in 1959 (when the political process in use on the island triumphed) and it was the Revolution with its work that led the workers and all of the people to proclaim socialism on 16 April 1961. He remarked that the present time also marks the beginning of "a strong ideological battle not only among the party's rank and file and the leadership, but also among the people." For this battle, we need courage.

"Our advantage is that we are determined and prepared for anything. I do not think the United States is prepared for the resistance that Cuba is building up in the world," he continued to say.

Referring to the tightening of the U.S. economic embargo against Cuba, in particular after the demise of European socialism and the Soviet Union's disintegration, Castro said that, for this reason, "the ideological struggle in the country is very important to prepare the people."

This would prevent U.S. leaders from starting a conflict that would lead to a Yankee military intervention, which is what some of them want to provoke, Castro stated. He immediately added that he discarded the idea that they were ready "to pay the high price of trying to destroy the Revolution by force."

Castro believes it is important to win over public opinion both on and outside of the island, because that, together with achieving economic efficiency, is part of the ideological battle being waged here, and it is absolutely necessary "to prevent them from dividing and undermining us."

Fidel Castro explained in detail the U.S. administration's policy of strengthening its blockade, from the Tor-

ricelli law through the Helms-Burton law, the elements which have shaped and promoted those laws, and the economic situation in which Cuba has had to deal with those laws. Castro warned that this new legislation does not mean that the enemies of Cuba's political project have abandoned Track Two of the Torricelli law, which is directed at destroying the Revolution from within. Castro commented that all U.S. hostility took place amid an extraordinary ideologically subversive campaign.

Castro specified that to achieve this end, Cuba's enemies have spent enormous sums, pressured international organizations, governments, and businessmen, and shifted all their deliberations to the downing of two pirate aircraft that flew into Cuban national airspace on 24 February.

In another segment of his speech, the PCC leader emphasized that the first step of Cuban resistance was to open credit doors to finance some of the most important areas of production, such as tobacco and sugarcane. "We haven't achieved an economic miracle, but we have achieved a political miracle," Castro said.

The plenum audience listened to a report presented by Raul Castro, second secretary of the Central Committe of the PCC, who — GRANMA says — spoke on the role of the party and its ideological action in an economic, social, and political context.

The text indicates that the material needs which the Cuban people have suffered in the last five years, added to tangible external factors, are the results of an extraordinary ideological campaign waged from the United States to divide, penetrate, and confuse the citizenry.

Carlos Lage, executive secretary of the Council of Ministers, also spoke. He described the current economic situation and praised the Cuban resistance to the difficult situation of the last five years.

Cuba: Helms-Burton Law Creates 'Difficult' Situation

PA2703003696 Havana PRENSA LATINA in Spanish 1541 GMT 26 Mar 96

[FBIS Translated Text] Havana, 26 Mar (PL) — Although irrational and containing a letter which cannot be implemented, the Helms-Burton law approved by the United States to strengthen the blockade on Cuba creates a new, difficult, and more complicated situation for Cuba.

According to Carlos Lage, secretary of the executive committee of the council of ministers, the legislation signed two weeks ago by U.S. President Bill Clinton will not be underestimated by the Cubans.

During a speech over the weekend before the Fifth Plenum of the Communist Party of Cuba — published here today — Lage believed that the letter of the Helms-Burton law cannot be implemented and each one of the points is impossible to fulfill.

Lage pointed out, however, that the law creates for Cuba "a new situation, one that is more difficult and complicated than ever before."

The law will harm the (Cuban) economy because even though the letter of the law cannot be implemented, it can be implemented or it can influence in certain ways or moments, or even companies. And that will have negative consequence on our economy, Lage added.

He pointed out that U.S. legislation is also negative because of the fear it creates, "because it deters investments."

According to Lage, this consequence of the law "was already noticeable before, since the very start of the discussion process... because fear of the law, the implications of the law deter investment, they can paralyze financing... the supply of products, because this worries a company or supplier."

He explained that since the President signed the Helms-Burton law there have been negative and positive reactions from companies and banks, but "there has been universal rejection in the political arena."

I cannot recall, Lage assured, any U.S. action that has provoked greater repudiation than this since the Vietnam War.

He described as isolated cases of companies or banks that have considered discontinuing or paralyzing financing for the island, and Lage added there are also positive developments for Cuba.

In the past days a large number of company presidents who maintain ties with Cuba have visited to state they will continue to do business. Governments and embassies have expressed willingness to work together to accelerate negotiations already in progress, and banks have confirmed they will continue to offer financing, he added.

Lage, however, said the effects of the Helms-Burton law will presumably depend on the time factor, on the way it is applied (the various degrees of intensity).

He added "as time passes, we will find ways to solve the problems that the law will inevitably produce."

In this regard, Lage noted that there are already periodical meetings with representatives of the most important banks and companies operating on the island to assess the situation and adopt the necessary measures.

The country, he added, has the organization, intelligence, capacity, and necessary determination to face the Helms-Burton law and to find solutions to the problems stemming from it.

Cuba: Envoy to UN Commission Denounces Helms-Burton Law

PA2703042696 Havana Radio Rebelde Network in Spanish 1800 GMT 26 Mar 96

[From the "National Radio News" newscast]

[FBIS Translated Text] The Cuban Government has denounced at the UN Human Rights Commission the U.S. policy of genocide against the island with the economic blockade and the blockade's tightening, said Eumelio Caballero Rodriguez, Cuban representative to the UN Human Rights Commission. Caballero Rodriguez this morning made statements to this radio station from Geneva.

[Begin Caballero Rodriguez recording] We made a special declaration about the blockade issue, because the main presentation of Cuba on this issue will take place on Thursday. We spoke about topic five, which deals with the enjoyment of economic, social, and cultural rights as fundamental rights.

Under this point, we highlighted the fact that the policy of the blockade of the United States against our people for over three decades represented a flagrant violation of the human rights of an entire people. We stressed that the promulgation of this new law, the Helms-Burton law, signified one more turn of the screw in the blockade against our people.

We also stressed the fact that the legislation, [words indistinct] countless international provisions regarding human rights, was promulgated in violation of four consecutive UN General Assembly resolutions, which requested the U.S. Government to end the blockade against Cuba. We noted that this was not only a law that violated the fundamental rights of an entire people, but that contradicted the international community as a whole. This legislation mandates that the international community submit themselves to U.S. jurisdiction, and those who don't do so are subject to a series of sanctions.

I would say that our speech was greatly welcomed. Many delegations congratulated us on this speech. There is even a widespread feeling that something must be done in this commission as a response from the international community to this type of massive human rights violation.

The Nonaligned Movement [NAM] began a process of consultation on a draft resolution, which calls for an end to this type of policy. In other words, there will be a response to these practices. [end recording]

Mexico: Proposed Joint U.S. Military Maneuvers Criticized

PA2703000396 Mexico City LA JORNADA in Spanish 22 Mar 96

[Article by Paulina Fernandez: "Military Maneuvers" — received via Internet]

[FBIS Translated Text] More than a year ago, "during difficult times" such as now, President Ernesto Zedillo "revealed" from the official residence that instead of preparing himself for dialogue, he had been preparing for war. But he did not say that this is what the federal government had been doing since the beginning of the six-year period, but instead, accused the Zapatist National Liberation Army to justify, among other decisions, the Mexican Army occupation of the so-called Chiapas conflict area.

In March 1996, one can say that something similar is occurring, or better said, that there are indications that it has not stopped happening. Any unilateral decision by the federal government on the dialogue format is sufficient to hinder and delay discussing the topics most directly related to the political solution that could be reached as an alternative to the armed conflict. The military pressure can be felt in many ways in many of the Chiapas municipalities, while obstacles are made to begin the dialogue in San Cristobal de las Casas and pretexts are concocted to deflate the content and sense to the topics of democracy and justice.

Night overflights by airplanes and helicopters during the day; military *convoys* [preceding word published in English] that circulate every day, slowly and annoyingly crossing Indian territories and communities with visible arms and video cameras, with the vehicle identification numbers covered by mud; preparations for the installation of more military camps very close to where civilians live; incursion by soldiers and their installation in small communities; sudden visits be salespersons and merchandise distributors with unsolicited products; infiltration by Office of the Attorney General of the Republic [PGR] "elements" disguised as priests, nuns, journalists, or foreign benefactors. These and many other federal forces' "incidents" or "normal movements" demonstrate the situation in those regions, which is far from showing the necessary detente that should accompany the dialogue to make credible the federal government's words, and conciliation and peace proposals.

In this context, the announcement by U.S. Secretary of Defense William Perry regarding joint sea and land maneuvers in the next 12 months (LA JORNADA, 17 March 1996), and the successive declarations by Mexican officials trying first to deny and then *giving details* later of the terms of the military cooperation between the United States and Mexico, cannot be underestimated. The information released by the head of the Pentagon on 16 March was preceded by reciprocal visits of those in charge of defense of each country since October 1995. But that announcement was also preceded by news on the increasing importance of drug trafficking in Mexican territory.

As unfortunately often happens in these cases, a declaration from abroad on matters that should be exclusively Mexican, is followed by a confirmation by the Mexican Government after attempting to deny it. The day after the U.S. Secretary of Defense announced the cooperation for the joint military and naval maneuvers between the United States and Mexico, he announced a "scheduled meeting in Washington with Mexican National Defense Secretary Enrique Cervantes Aguirre, the first week in April" (18 March 1996), information that had not been released in Mexico and was confirmed days afterward, in a corridor interview, by Mexico's under secretary for Bilateral Affairs in the Foreign Secretariat. He added that the trip by the Sedena [National Defense Secretariat] secretary will be "to hold talks with representatives of the U.S. Armed Forces on advances in military cooperation for the struggle against drug trafficking" (20 Mar 96).

The intended public reason for the forthcoming trip of Mexico's defense secretary to the United States reminds one that not too long ago a leak of restricted PGR material accordingly said that "Chiapas is the entrance door to Mexico of cocaine from Bolivia, Peru, Ecuador, and Colombia (EL FINANCIERO, 4 Feb 96). There is reason to believe that preparations are under way to get news circles to justify, as in other Latin American countries, the participation of the U.S. Army with the pretext of helping the national army of the country in question to fight drug trafficking... and other problems.

Without the 9 February 1995 treason, without the lie as the government's information norm, which is contradicted daily by facts, and especially without the constant ceding of national sovereignty in areas that are strategic to the Mexican people, the previous facts and declarations would not lead us to interpret that the Mexican Government, far from seeking a political solution through dialogue in Chiapas, has not renounced to the military "solution" to end the problems that the country suffers and that this "solution" will be aided, such as has been done in other aspects of the country's leadership, by the U.S. Government.

Panama

Panama: Political Parties Discuss U.S. Military Presence

PA2603202896 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Mar 96 p 1A

[Report by Emilio Sinclair]

[FBIS Translated Text] The president and main leaders of political parties will momentarily cast aside their differences regarding the administration of the state in order to sit down together to consider whether the U.S. Armed Forces' bases should stay or leave.

The meeting that is believed to be momentous regarding a U.S. military presence in Panama has been scheduled for Thursday morning in the Hotel Caesar's Park by Foreign Minister Gabriel Lewis Galindo.

The foreign minister will issue "copies of the report on the Economic Impact of U.S. Military Bases in Panama" to the leaders.

The report was prepared by Panamanian economists Jose Galan Ponce and Dr. Marcos Fernandez, who will be present there to reply to questions by participants.

According to Foreign Minister Gabriel Lewis Galindo, "the national government thus addresses a suggestion by sectors of the country's political opposition, whose most vocal representatives recommended this type of analysis prior to Panamanians taking part in exploratory talks with the United States, to define the future of U.S. military bases."

It is believed that U.S. military bases indirectly contribute more than 200 million balboas yearly to Panama's economy.

Argentina

Argentina: Minister To Deliver 'Arafat Message to Peres

PY2603153596 Buenos Aires TELAM in Spanish 1314 GMT 26 Mar 96

[FBIS Translated Text] Buenos Aires, 26 Mar (TELAM) — On 27 March, Interior Minister Carlos Corach will deliver Palestinian National Authority (PNA) President Yasir 'Arafat's petition to Israeli Prime Minister Shim'on Peres for reopening the Gaza Strip border and allowing the entry of Palestinian workers into Israel.

Speaking over the telephone from Jerusalem, a government source told TELAM: "Following President Carlos Menem's instructions, tomorrow Corach will deliver 'Arafat's petition to Peres, which involves lifting the blockade in the Gaza Strip."

The source added that "there even is a possibility of President Menem and the Israeli prime minister holding a telephone conversation," during Peres' meeting with Corach at 1915 (1315 Argentine time) tomorrow, within the framework of an official visit that the Argentine minister is paying to Israel.

The source said "this mediation between Peres and 'Arafat was not" on the minister's agenda. The source, however, emphasized that, given its importance, "it was prioritized."

After meeting Peres tomorrow, the interior minister will sign a Cooperation Agreement on the Struggle against Illegal Drug Trafficking and Terrorism [Convenio de Cooperacion en la Lucha contra el Trafico Ilicito de Drogas y contra el Terrorismo] with Israeli Foreign Minister Ehud Baraq.

Corach will meet Israeli Defense Vice Minister Ori Or in Tel Aviv at 1000 on 28 March. They will also discuss the aforementioned cooperation agreement. Afterwards, Corach will participate in meetings at the Israeli Interior Ministry's offices.

The source confirmed that the interior minister would leave for Buenos Aires on the morning of 29 March.

Argentina: Menem Willing To Mediate in Middle East

PY2603153696 Buenos Aires TELAM in Spanish 1334 GMT 26 Mar 96

[FBIS Translated Text] Buenos Aires, 26 Mar (TELAM) — President Carlos Menem today said he is willing to mediate in the conflict that broke out between Israel and Palestine over the closing of their borders, if the two parties ask him for it.

During a telephone conversation with ATC [Argentina Televisora Color], Menem pointed out: "If (the parties) deem my mediation appropriate, we shall then review the manner, the extent, and the steps to be taken after a decision is made."

In this regard, the president explained that he is awaiting the outcome of a meeting that Interior Minister Carlos Corach will hold tomorrow in Israel with Israeli Prime Minister Shim'on Peres.

Palestinian leader Yasir 'Arafat yesterday asked President Carlos Menem to intercede before Israel for that country to reopen its borders on the Gaza Strip and the West Bank to allow the access of Palestinian workers.

During a meeting with Corach at the Gaza Strip yesterday, 'Arafat conveyed, through the Argentine interior minister, this petition to the Argentine president.

The president said: "If they ask for my humble presence there, and I am able to contribute to partly solving the conflict that is escalating gradually, I shall do it."

Menem indicated that it involves "a great responsibility that I am willing to assume if the time comes."

Menem also emphasized that 'Arafat's mediation petition did not catch him by surprise. He recounted: "Mr. (Yitzhaq) Rabin had already asked me for it in New York, before his assassination."

On the occasion of the ceremonies held to mark the 50th UN anniversary in October 1995, Rabin asked Menem to mediate in the Middle East conflict.

The president added: "We discussed this issue with Shim'on Peres on many occasions. I discussed it with President 'Arafat and with the Syrian, Egyptian, and Tunisian presidents."

Menem also reported that the Tunisian president "would visit Argentina soon."

Menem pointed out that he is "acquainted with that region, especially with the situation prevailing in that part of the Middle East." He noted: "My friendship with those presidents gives me great possibilities of mediating, if they ask me for it."

Argentina: Interior Minister on Meeting With 'Arafat

PY2603172396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1334 GMT 26 Mar 96

[FBIS Translated Text] Buenos Aires, 26 Mar (NA) — President Carlos Menem will hold a telephone conversation with Israeli Prime Minister Shim'on Peres on 27 March. This would represent the initial step for

his mediation between that country and the Palestinian authorities.

Menem today emphasized "my friendship with the presidents" of various Middle Eastern countries, which "gives me great possibilities of mediating if they ask me for it."

Nevertheless, Menem said he is awaiting a message from Interior Minister Carlos Corach, who is now in Tel Aviv, to determine "if they deem appropriate my mediation and determine the manner, the extent, and the steps to be taken."

In remarks to two radio stations in Buenos Aires, Corach indicated that, during yesterday's meeting with Yasir 'Arafat, the Palestinian leader "on many occasions expressed hope that President Menem will conduct negotiations with various governments."

Corach pointed out that 'Arafat "mentioned the United States, Israel, Syria, and Lebanon, with the goal of unblocking some aspects of the peace process that is currently experiencing some problems, especially after the barbarian suicidal attacks that Israel mourned a few days ago."

Corach said: "'Arafat agreed with us that we all have a common enemy, which involves the practice of indiscriminate violence and whose specific goal, in this case, involves scuttling the peace process."

Corach indicated: "Considerable hope is being harbored in the Gaza strip, but also considerable uneasiness as 87 percent of the population voted a few weeks ago for the peace process led by President 'Arafat and now there is considerable uncertainty ."

Corach pointed out that tomorrow he will meet Israeli Prime Minister Shim'on Peres and that, during this meeting, "Menem would hold a telephone conversation" with the prime minister.

The interior minister denied that his negotiations had caused any malaise at the Foreign Ministry for allegedly violating the Foreign Ministry's jurisdiction. He emphasized that the Foreign Ministry "was kept posted all the time and the meeting" with 'Arafat "was achieved through Foreign Ministry channels."

Corach noted that the meeting "was aimed at expressing to 'Arafat the problems of terrorism and the possibility of exchanging information for preventing them."

With regard to the Israeli Embassy and AMIA [Argentine-Israeli Mutual Association] bombings, Corach announced that during his visit to Israel he received "some information that I will deliver to the judge," Juan Jose Galeano. Corach, however, did not elaborate.

Corach merely indicated that he met the Israeli police explosives department chief and fuses department chief and that both of them "categorically pointed out that the explosions involved car bombs driven by suicidal terrorists."

Afterwards, Corach indicated that President Menem has already expressed his willingness to travel to the Middle East to conduct negotiations to speed up the peace process, if the parties ask him to do so.

Corach ultimately said 'Arafat "wants to travel to Argentina" and will do so "as soon as he can," after he was forced to cancel the visit scheduled for this month over the complications that arose in the Middle East.

Argentina: Military Dictatorship Called 'Day of Horror'

PY2603175296 Buenos Aires TELAM in Spanish 1551 GMT 24 Mar 96

[FBIS Translated Text] Buenos Aires, 24 Mar (TELAM) — President Carlos Menem recalled the 20th anniversary of the military coup that marked the beginning of one of Argentina's darkest periods, paying homage to those who fell "in defense of freedom" and characterizing the occasion as "a day of horror."

The head of state stressed the climate of reconciliation currently enveloping society and outlined that under democracy Argentina is today a country "living in peace. Peace based on democracy, freedom, and full respect for human rights."

The following is the complete text of the president's message broadcast through radio and television:

"Precisely today, 24 March 1996, is the 20th anniversary of the breaking of the institutional order through a coup that enveloped Argentina in very dramatic situations."

Horror was constant, a massive confrontation, a sort of dirty war unleashed all along and across the fatherland. It bathed our land with the blood of young Argentines who were forced to join this sinister game proposed by those who assumed the responsibility of leading the Argentine Republic the day of that awkward, cruel, and totally unjustified coup.

I was one of the victims. I was imprisoned for several years. Our activities were forbidden for many years. In any case, when the Argentine people bestowed upon me the responsibility of leading our country, my country, I made the firm decision to work on two aspects, which were referred to by one of our greatest men: Juan Bautista Alberdi.

Alberdi said that a man who wants to rule a country must first pacify it. Then he can start a process of change and transformation.

This is what we started doing in 1989: Pacifying and transforming. We achieved our goal.

Fortunately, Argentina today is a country living in peace. Peace based on democracy, freedom, and full respect for human rights.

The process started in 1983 and was intensified in 1989. But we cannot forget the victims of those horrendous years — sinister years — that we had to endure.

We must remember that day as a day of horror and death, a day of intolerance when all rules and laws in effect were violated, the day the Constitution was violated. Today, I repeat, we cannot forget the victims, those who fell defending freedom, so that the sun of democracy and justice can shine again on the Argentine Republic.

For them, the respect of the president of the nation and of what the president of the nation represents."

Argentina: New Ambassador to Czech Republic Appointed

PY2603191096 Buenos Aires TELAM in Spanish 1502 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (TELAM) — The executive branch today appointed Horacio Adolfo Basabe, a career diplomat, as the new Argentine ambassador to the Czech Republic.

The appointment is announced in Decree No. 267/96, signed by President Carlos Menem and Foreign Minister Guido Di Tella.

The decree's preamble emphasizes that the Czech Republic has approved Basabe's ambassadorial appointment.

Through Decree No. 268, the executive branch has transferred Ernesto Parentini Posse, the current ambassador to the Czech Republic, to the Foreign Relations, International Trade, and Worship Ministry.

Decree No. 268 also bears the signatures of the Argentine president and Foreign Minister Di Tella.

Argentina: Minister Seeks U.S. Permission To Purchase Arms

PY2603203196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2125 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (NA) — Defense Minister Oscar Camilion today asked Walter Slocombe, U.S. under secretary of defense for policy, to get the United States to reconsider "some ratings" that prevent Argentina from purchasing some military materials.

Camilion specifically hinted at the possibility that the Defense Ministry may receive U.S. surplus materials. To this effect, the U.S. Government would have to change some ratings on Argentina.

The minister made these remarks during the bilateral defense sessions that began in Buenos Aires today, in the presence of the U.S. secretary of defense for policy.

Camilion emphasized the current bilateral relationship. He recounted that Argentina "joined U.S.-led coalitions three times and is dynamically participating in peace missions."

Slocombe emphasized that it is necessary for the United States "to bilaterally and multilaterally work with regional partners."

The U.S. official emphasized the role Argentina played "in helping to relax the tension on the Peruvian-Ecuadoran border." He also praised the operations carried out by Argentine Peacekeeping Forces in Croatia, Cyprus, Cambodia, Haiti, Slovenia, and Bosnia.

Slocombe emphasized the presence of Argentine troops in the Persian Gulf war. He added: "Argentina played a leading role, which represents an example for our hemisphere and the world."

Slocombe added: "Argentina has met — and is still meeting — special challenges. It has made considerable progress and I want to pay tribute to its political leaders and to the military echelons subordinated to them."

Brazil

Brazil: Army Pressures Government for Earmarked Funds

PY2603154496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Mar 96 Section 1 p 8

[Report by Rui Nogueira]

[FBIS Translated Text] The military will pressure the economic team and will ask President Fernando Henrique Cardoso to personally order Treasury Secretary Murilo Portugal to release 120 million reais [R].

That is the value of the debt the Army has owed to its suppliers since November 1995. The matter was discussed at a High Command meeting in Brasilia on 21 and 22 March.

In private conversations, the military says it is surprising that the government has so much money for saving

troubled banks — investment in the Nacional Bank surpassed R5 billion — but it has refused, for more than three months, to supply the funds that the Army has been authorized to spend.

Part of the debt is owed to the suppliers of materials for the troops (1,100 soldiers) that joined the UN Peacekeeping Force in Angola in September. The rest of the debt is owed to suppliers of food, office and janitorial material, and uniforms.

The payment delay has put the Army in a constraining situation, because suppliers gather at the High Command doors and fill fax machines with demands for payment.

The general headquarters this week received payment requests from Rondonia, Porto Alegre, and Belo Horizonte. The 15 generals of the High Command have been officially informed that the government will start releasing the money in installments. This parceling, without a clear description of the parceling system, was not welcomed. Military officers told FOLHA that the Treasury Department policy to authorize credits without providing the money creates an atmosphere of distrust, which suppliers will take into account for future operations.

An adviser to Army Minister Zenildo de Lucena has said that suppliers will overprice their products in order to "compensate" for payment delays.

Promotions

The High Command meeting also made a list of the officers who will be promoted to Division General and Brigade General. The list includes six promotions that will be submitted to the president next week.

Luiz Silva Muniz was promoted to Division General. The following officers were promoted to Colonel or Brigade General: Paulo Roberto (Infantry), Aurelio Cavalcante (Cavalry), Francisco Jose Fernandes (Artillery), Julio Cesar Hernandez (Infantry), and Luiz Reis de Mello (Artillery). There were no promotions to Army General, which is the highest post.

Brazil: PMDB Leader Views Convention Outcome

PY2603184196 Rio de Janeiro Rede Globo Television in Portuguese 1000 GMT 25 Mar 96

[Interview with Deputy Paes de Andrade, president of the PMDB, during the "Good Morning, Brazil" program by anchorman Luiz Carlos Braga and by reporter Luciane Bacellar — live]

[FBIS Translated Text] [Braga] Deputy Paes de Andrade is here with us today to discuss the course of the PMDB following its convention. He is going to have to work hard if the story about the PMDB [Brazilian Democratic Movement Party] being divided is true; that is, to unite again Brazil's largest political party. Good morning, president.

[Paes de Andrade] Good morning.

[Braga] We have just watched a video clip by reporter Canellas showing approval by acclamation of the topics presented at the PMDB convention, but the fact is that nine governors, as well as deputies and senators did not attend the convention. How did the PMDB emerge from its convention: Is it divided or not?

[Paes de Andrade] This convention was the most moving one in the history of the PMDB and of its predecessor, the MDB [Democratic Movement Party]. You have just seen the clip. It was said that the convention had been boycotted, but it was brilliant. More than 1,500 members were there. The party came out stronger and united from its convention. We unanimously approved the items on the agenda, by acclamation. There can be no more eloquent, tangible proof than this that the party is truly united, in peace.

You mentioned the governors....

[Braga] That's right.

[Paes de Andrade] I believe that the PMDB governors, who are prominent public servants, this time indulged in antidemocratic actions. They should have attended this celebration marking the 30th anniversary of the PMDB. They should have been there to discuss the items on the agenda, which had been approved by two-thirds of the national executive board, by more than two-thirds of the presidents of the PMDB regional chapters. It was difficult for me to understand the governors' failure to attend the convention.

[Bacellar] You said the agenda was approved by acclamation. That means that the number of votes was not enough to make the items on the agenda the party's guidelines, the PMDB official position. Rather, as reporter Marcelo Canellas said, PMDB deputies and senators will not be forced to follow these guidelines.

[Paes de Andrade] Had these items been approved unanimously, through a secret vote, as we wanted it, I would not make them mandatory for PMDB members. Our party leader has never imposed mandatory positions on our members. Thus, these are recommendations, although strong ones, because they were approved unanimously, by acclamation.

I have read press reports claiming that the president of the Republic defeated the PMDB. The president did not and should not get involved. He does not have anything to do with the PMDB domestic affairs. He

was not even elected under the PMDB ticket. Thus, he did not get involved. Yet, if he in fact did get involved, a possibility which I hesitate to accept, the press reports are revealing something interesting; that is, despite reports that he had defeated PMDB President Paes de Andrade and the PMDB convention, the PMDB convention stated by acclamation that the Rio Doce Valley Company [CVRD] should not be privatized. Has the president of the Republic changed his position and he no longer wants the CVRD to be privatized? I believe the president did not get involved. This has no doubt been the most brilliant one of all PMDB conventions. We are united, in peace. Formal disagreements over ideological, doctrinaire issues are normal in any party.

[Braga] Deputy, are you an opponent of the Cardoso administration?

[Paes de Andrade] No. By decision of the PMDB national council, our party is supporting the administration of President Cardoso. I am complying with the directives of the national council. Our support is not unconditional. I used to say that an unconditional support is detrimental to the trends of opinion existing in the country. The PMDB's support is a critical one. We give our support, but we question things. We maintain an independent position. We must have this position.

Yesterday I read a message from that great Brazilian citizen, Barbosa Lima Sobrinho, who was a vice presidential candidate under the PMDB ticket with Ulysses Guimaraes. Lima Sobrinho called for dignity, and independence for the PMDB, and opposed the privatization of the CVRD. That is our position. Despite the desire of some, the PMDB will not become a sham party. Support, yes; submission, never.

[Bacellar] Yet, by 21 and 22 March, some congressmen were already talking about trying to boycott the PMDB convention because the topics on the agenda....

[Paes de Andrada, interrupting] But they have not boycotted it.

[Bacellar] ...could force the PMDB to join the opposition. Judging from the PMDB vote on the social security reform issue, the PMDB bloc has already shown that it does not want....

[Paes de Andrade, interrupting] Yet, all those topics were approved by acclamation, with the exception of one; that is the reelection issue. Also by acclamation, we decided to postpone the debate on the reelection issue to 1997. This has been the only change on the agenda. All other issues were approved by the unanimous will of the PMDB delegates.

[Braga] Deputy, is former President Itamar Andrade going to join the PMDB or not?

[Paes de Andrade] He sent us a nice, warm message, in which he noted that he had started his political career in the MDB, wielding our banners, and defending our ideas. He conveyed his best wishes to our convention. It was truly a message from someone who is willing to join us. I do not know if he is going to join. I have just talked to President Franco. He was extremely happy. The PMDB delegates gave a standing ovation to his message and to that of Barbosa Lima. Thus, I am happy about the outcome of the convention. PMDB activists were jubilant and left the convention satisfied.

The task ahead is to consolidate our unity so that our party may take to the streets. We have a plan to reach the Presidency. The PMDB is going to nominate a presidential candidate. We will seize power if we win in the 1996 election. We are going to win.

[Bacellar] What about the constitutional reform bills that are being voted on now? What position will the PMDB hold in the next votes? Do you have....

[Paes de Andrade, interrupting] Also by acclamation, we have approved the principle that all acquired rights should be maintained concerning social security, public servants, and educational issues. This is already a guideline. There will be no confrontations, just disagreements over those points involving commitments by each deputy, ideological positions. The disagreements observed in some votes stemmed from the conviction of each deputy. I voted following the dictates of my conscience, because there was no mandatory position outlined by our party. When your party has not adopted a mandatory position, you may vote one way or the other. You may vote yes or no, according to your conscience and convictions.

[Braga] Deputy Paes de Andrade, thank you for being here with us. Good luck and good morning.

[Paes de Andrade] I hope so.

Brazil: PMDB Convention Absenteeism Not Caused by Cardoso

PY2603154396 Sao Paulo AGENCIA ESTADO in Portuguese 2343 GMT 25 Mar 96

[FBIS Translated Text] Brasilia, 25 Mar (AE) — Planalto Palace spokesman Sergio Amaral again denied rumors today that President Fernando Henrique Cardoso has been exchanging congressional votes for favors. "There are no negotiations in exchange for votes," he asserted. "In order to criticize, one must cite facts and substantiate their criticism," he added.

Amaral denied rumors spread in Brasilia on 24 March that the president participated in a scheme to reduce the number of politicians who would attend the PMDB [Brazilian Democratic Movement Party] convention. "President Cardoso does not get involved in party politics and he did not take any initiative to reduce the number of people attending the PMDB convention," the spokesman said. There have been rumors that the president had phoned the PMDB governors asking them not to attend the meeting. Amaral reasserted that Cardoso "does not have any influence on the governors."

The spokesman said that the favorable position of the PMDB majority toward the administration had already been made clear in the sessions last week during which social security reform was voted on on the floor of the Chamber of Deputies, and the Senate decided to file the request for the establishment of a Congressional Investigating Committee to look into the banking system irregularities. According to Amaral, the president is "very satisfied with the new stage of the reforms."

Brazil: Argentina, Brazil To Sign Space Accord

96P20358A

[FBIS Report] Brazil and Argentina will sign a broad space cooperation agreement agreement during Brazilian President Fernando Henrique Cardoso's visit to Buenos Aires at the beginning of April, leading Sao Paulo business daily GAZETA MERCANTIL reported on 28 February in an article by Maria Helena Tachinardi. In making the announcement on 27 February, Argentine Defense Minister Oscar Camilion remarked that it has been "a mistake" for the two countries not to have cooperated in this area much sooner." He added: "It has been a long-standing objective that has been postponed for one reason or other. The possibility of integration always existed, and saving money in the space sector is important."

Camilion came to Brazil to prepare the agenda of the second meeting of defense ministers of the Americas which will be held in Bariloche in October and have as its central theme the challenges of the coming years, including combating narcotrafficking and terrorism, the article continued. Addressing the Brazilian Senate's Foreign Affairs Committee on "the Argentine vision of defense," Camilion noted that with the reduction in Argentine Government funding allocated to the defense sector—the current budget amounts to 1.8 percent of GDP compared with 3.4 percent in the early 80's—it is necessary to increase the technological capability of the Armed Forces. He pointed out that in that context, space cooperation with Brazil is important.

Journalist Tachinardi went on to cite government sources that the two countries will jointly build satellites, conduct research, and in the future, build a Satellite Launch Vehicle (VLS). Brazilian Ambassador Antonio Dayrell de Lima, head of the Foreign Affairs Ministry's Department of Special Topics responsible for space, sea, Antarctica, and environment, commented that the space accord between Brazil and Argentina "is characteristic of the good stage of the relationship between the two countries."

The signing of the accord, the writer pointed out, will be symbolic in another way. It will signify the normalcy of bilateral relations in an extremely sensitive area, and thus end the animosity provoked by Brazil's unconditional entry into the Missile Technology Control Regime (MTCR), contrary to Argentina which had to dismantle its Condor II program for building missiles to join. As a result, according to Camilion, Argentina "changed its missile-related policy in dramatic terms," and fell further behind technologically than Brazil in the space sector. It was not until July 1995 that the first Argentine satellite was tested by Brazil's Space Research Institute (INPE) in Sao Jose dos Campos, Sao Paulo State, Tachinardi remarked.

She went on to say that a bilateral declaration creating a Brazilian-Argentine working group has existed since 1989. In January 1996, the fifth meeting on space cooperation convened in Buenos Aires, and finalized the accord for cooperation in the peaceful uses of outer space, the writer concluded.

On 1 March, Brazilian Science and Technology Minister Jose Israel Vargas commented in Sao Jose dos Campos that the Brazilian Government is studying building a satellite in partnership with Argentina, liberal Sao Paulo daily FOLHA DE SAO PAULO reported on 2 March. The satellite would be used to collect information on agriculture and climatic conditions, and would be for the exclusive use of the Mercosur (Common Market of the South) countries of Brazil, Argentina, Uruguay and Paraguay. INPE Director General Marcio Barbosa further noted that the project will be formulated during the coming months.

Chile

Chile: Possible Free Trade Agreement With Canada Noted

PY2703004996 Santiago EL MERCURIO in Spanish 23 Mar 96 pp B1, B4

[FBIS Translated Excerpt] Chile and Canada yesterday expressed their desire to develop to the maximum level the idea of a bilateral and provisional free trade

agreement before the end of this year, which will put Chile on a good footing to join NAFTA.

Chilean Finance Minister Eduardo Aninat and Canadian Foreign Trade Minister Arthur Eggleton yesterday met to assess the state of negotiations which began in December 1995 in Toronto. Since then the negotiating teams have held two meetings, one in Santiago and one in Ottawa.

Minister Eggleton and his delegation traveled to Chile from Cartagena de Indias, Colombia, where he participated in the ministerial summit of the Americas. During his meeting with Aninat they reviewed the development and projections of the negotiation process and discussed particularly the issues related to bilateral trade of goods and services, the rules for foreign investment, and aspects related to the legal framework needed to guarantee the fulfillment of the commitments that may emerge from an agreement.

The two parties have submitted the general framework on customs tariffs for some products, and Chile will submit lists with the timetable for a reduction of tariffs during the next few weeks when the government receives the opinion of the private sector.

The next round of negotiations will be held between 28 March and 3 April 1996, when some subjects will be discussed, such as rules on access to markets, rules of origin, tariff suspension programs, some services, rules for the temporary entry of businessmen, systems to solve disputes, competition aspects of the markets, labor and environment agreement, and other general legal subjects.

Minister Aninat has stated that Chile is willing to sign the labor and environmental annexes as they stand for NAFTA because Chile more than complies with the established guidelines. There is no restrictions on putting them on the negotiating table, and labor and environmental organizations have been consulted. He said: "To the extent that they are the current annexes, we will not have any problem whatsoever, and they have been placed on the negotiation agenda." [passage omitted]

Chile: Insulza, Garcia Praise Accord With Mercosur

PY2603195396 Santiago EL MERCURIO in Spanish 24 Mar 96 pp A1, A19

[FBIS Translated Excerpt] On 23 March Foreign Minister Jose Miguel Insulza said that Chile's upcoming entry to Mercosur [Common Market of the South] is a Chilean foreign policy achievement at a very important moment for its regional agreements and integration with its own continent.

President Eduardo Frei's government has been criticized during the past two years for its foreign policy not only regarding the postponement until 1997 of negotiations to join NAFTA but also after the ratification of the ruling that represented to complete loss of Laguna del Desierto and now, especially by the agricultural sector, for its entry into Mercosur.

In this regard, Insulza noted the importance of the agreement with Mercosur, after participating during the week, in Cartagena de Indias, Colombia, of a hemispheric commerce and foreign ministers' meeting. He took advantage of that event to meet with his counterparts of the regional bloc and decide that the agreement with Mercosur be signed on 25 June.

Insulza, who referred to the importance of the political moment surrounding the trip he will start to Brazil — one of the most important Mercosur members — today with President Eduardo Frei, said: "We are fulfilling one of the government's priority objectives, that is, Latin American integration and to concentrate our efforts on our own continent."

Likewise, Economy Minister Alvaro Garcia said that with this agreement, to be implemented on 1 July, Chile will become the country with the broadest network of free trade agreements in the entire Latin American continent, as well as the country with the highest level of foreign investment.

Garcia said: "The Chilean economy, as never in its history, is integrated with the region, which has resulted in great economic benefits, because Mercosur is the recipient of most Chilean investments abroad and the most important market for Chilean exports in Latin America." [passage omitted]

Minister Insulza said that the people should understand that negotiations with Mercosur are still not finished and that there are still a few issues on which there is not enough consensus, which need to be settled before the agreement is signed.

Chile: Canadian Trade Minister Interviewed on Accord

PY2603192496 Santiago ESTRATEGIA in Spanish 25 Mar 96 p 48

["Exclusive" interview with Canadian Trade Minister Arthur Eggleton by ESTRATEGIA on 22 March in Santiago]

[FBIS Translated Text] [ESTRATEGIA] What interest does Canada have in signing an agreement with Chile?

[Eggleton] The Canadian business sector is interested in this agreement. As a result of their activities during the past 10 years trade has increased three-fold and investments have increased from $2.5 million to $7.5 million. This means there is a market in which our businessmen are interested. A bilateral agreement greatly contributes to better and more safe access to those markets. This, of course, works both ways.

[ESTRATEGIA] From the political viewpoint, how important is an agreement of this sort for Canada?

[Eggleton] This is a free trade agreement and Canada is a commercial country. During the past four years, the impact of exports on our GDP has increased from 26 percent to 37 percent. Therefore, it is very important for our economy and for the creation of new jobs, which is a priority issue for the Canadian people.

[ESTRATEGIA] Why do people think this agreement will be symbolic compared to NAFTA...

[Eggleton] The figures I have just mentioned are real, not symbolic. As both our economies have industries, such as the mining and forestry industry, there are great possibilities for investment and trade. But there are also other sectors of interest, such as communications, transportation... We do not want to restrict our trade to natural resource industries, even though they have been the key industries so far.

This is a very real agreement in the bilateral sense and also very real in the multilateral sense because it will contribute to Chile's entry to NAFTA, as soon as the U.S. elections are over.

[ESTRATEGIA] Canada is the second most important investor in Chile. What else do you need to promote your investments?

[Eggleton] That is part of the negotiations underway. Thus, I cannot disclose any details. As in any bilateral negotiations, we seek the cheapest, best, and more safe access in terms of investments and of access to markets, reduction of barriers, and tariffs, which are a matter of discussions now.

[ESTRATEGIA] What importance does Canada grant to solving controversies, especially to what is stated in NAFTA Chapter No. 19 that refers to antidumping measures?

[Eggleton] All that is important. Obviously, we believe there is no room for trade restrictions in a free trade zone. We want to eliminate these possibilities and this is what we are discussing.

[ESTRATEGIA] Will the NAFTA article that refers to those subjects be maintained?

[Eggleton] Yes. As I have said, we are working on a bilateral agreement using NAFTA as a model, but we are also making some adjustments to solve these problems between us and, eventually, all those adjustments will be useful when Chile joins NAFTA.

[ESTRATEGIA] Regarding environmental and labor issues, Minister Aninat said parallel agreements will be signed. Does this mean these subjects are not so important for Canada?

[Eggleton] No. That is how these issues were negotiated within NAFTA, as parallel agreements. These are very important agreements and are being closely followed by commissions established to make sure they are implemented. They entail more than just pretty words about the environment and labor issues: They are agreements that can be implemented.

[ESTRATEGIA] Will the same sanctions included in NAFTA for those who violate agreements be used? Some fear this may be used to jeopardize trade.

[Eggleton] I cannot give any details because these issues are still being negotiated.

[ESTRATEGIA] When will negotiations at the level of products and tariffs start?

[Eggleton] They have already started.

[ESTRATEGIA] Has the Chilean proposal to draft separate lists of products to phase out of custom tariffs over different time spans, including exceptions, been accepted?

[Eggleton] I cannot negotiate through the media. The purpose of my visit is not to negotiate. We have negotiation teams to handle that. Minister Aninat and I decided that we want all issues to be discussed and that an agreement be reached by the end of the year. We are working hard on that. All you have mentioned is on the agenda for discussion. If I could answer your questions we would be signing the agreement today.

[ESTRATEGIA] Just for our information, what could you tell us about the situation of poultry and dairy products in NAFTA?

[Eggleton] It is an issue currently being disputed with the United States. We have adopted the WTO tariffs formula for these products but have another arrangement with NAFTA. I do not want to go into details.

[ESTRATEGIA] I ask this because people want to know if these same problems will be transferred to the trade relationship with Chile...

[Eggleton] Once again, that is a detail I cannot discuss.

[ESTRATEGIA] In Canada's opinion, what is currently preventing the United States from continuing to expand NAFTA?

[Eggleton] The U.S. Congress failed to approve the fast track [preceding two words in English] that the government was seeking this year. However, after the elections I hope things will change.

We have kept the United States and Mexico informed. They are aware of the negotiations between Chile and Canada. They are aware of the bilateral importance of this agreement and what it means in terms of entering NAFTA. This should be an easier and more expeditious process for Chile when the U.S. finally obtains approval for the fast track.

[ESTRATEGIA] How do the new movements against free trade within the United States affect Canada?

[Eggleton] This happens every time there are elections in the United States. This is the cause of some concern in Canada, but nothing more. NAFTA works well for Canada and, although some items are being disputed, more than 95 percent of our bilateral trade with the United States operates without any difficulties. There is no trade partnership larger than the one between our two countries. Bilateral trade amounts to $1 billion per day.

[ESTRATEGIA] After reaching an agreement with Chile, will Canada start negotiations with other Latin American countries?

[Eggleton] There are several negotiations processes underway. The only bilateral agreement being negotiated now is with Israel but we are focusing our attention on multilateral agreements.

Yesterday (21 March), we were in Cartagena discussing the Free Trade Zone of the Americas for the year 2005. There is also a project within APEC [Asia-Pacific Economic Cooperation], to which Chile belongs. We are about to establish an action plan with the EU. Undoubtedly, we want to devote a lot of time and attention to strengthening regulations within the WTO. We have a very busy agenda. Our message is that we want to liberalize international trade on the grounds of clear rules, which is vital for a country with trade as large as Canada.

Chile: First Round of Talks With EU To Begin

PY2603202596 Santiago EL MERCURIO in Spanish 25 Mar 96 pp A1, A10

[Report by special envoy to Frankfurt Ernesto Eglinton]

[FBIS Translated Text] The first round of talks in search of a bilateral agreement between Chile and the EU begins today in Brussels, where the EU administration is headquartered. Jose Goni, Chilean Foreign Ministry coordinator, said they will discuss a wide range of subjects, without being restricted to merely commercial issues. He added that this is what distinguishes it from other agreements currently being negotiated.

The Chilean delegation, comprising representatives of various ministries and headed by Ambassador Carlos Mladinic, arrived in Europe last weekend after a stopover in Frankfurt. Meetings with the EU officials and representatives of the 15 members will take place today and tomorrow.

Goni told EL MERCURIO in Frankfurt that the agreement sought will "readjust the framework of Chile's bilateral relations with the EU." He recalled that during 1995, 27 percent of Chilean exports went to Europe.

Goni said the agenda to be discussed in Brussels, in addition to commercial issues, will include talks on investments, science and technology, transportation and telecommunications, environment, services, among other issues.

Goni added that the broad scope sought for this agreement is very important to be able to bring the Chilean productive sector up to the standards of the industrialized countries, to the extent that the agreement will allow a tighter relationship with the more advanced areas of the world in the production field, as are the European powers.

As for the expectations regarding this round of talks, the Chilean coordinator said they hope to make as much progress as possible, although they intend to continue to negotiate during the coming months. He added that the Chilean delegation has still not set a deadline for the final agreement.

Regarding the impact of the future agreement on Chile, Goni said the idea is to improve the terms under which Chilean products enter the European market, in the broad sense of the word, not only related to tariffs, but also their quality.

Regarding the latter, he said it refers to the fulfillment of EU measures to preserve the environment, and the standardization of the technical specifications established in Europe for goods that are marketed as well as to expedite custom proceedings.

He admitted that the tariff policy for Chilean products currently entering the European market "is somewhat unfair," adding that those which enter without paying custom tariffs are essentially raw materials.

He said that, on the agreement they will start negotiating today, it is hoped the competitiveness of the industrial

products in general will be improved, especially those of the agro-industrial sector, so that Chile may export to that market value-added products, which will allow us to consolidate a new phase of exports.

Goni said the importance of the agreement sought lies in the attempt to establish a framework to define and channel the entire Chilean bilateral relations with the EU.

He said a proposal will be made during the talks to expedite the rendering of services by Chileans in Europe, on condition Europeans may offer their services in Chile.

In this same field, help will be sought to enable Chileans to carry out economic and commercial activities in EU-member countries, which will benefit investors as well as professionals.

The delegation in Brussels comprises representatives of the Economy Ministry, Ramon Barcelo; Finance Ministry, Sergio Ramos; Secretariat General of the Presidency, Rodrigo Egana; Finance [as published] Ministry, Hector Casanueva; and the director of the International Cooperation Agency (AGCI).

Chile: Finnish Minister Starts Latin American Trade Tour

LD2603145796 Helsinki Suomen Yleisradio Network in Finnish 1000 GMT 26 Mar 96

[FBIS Summary] Finnish Minister for European Affairs Ole Norrback started a tour of Latin American countries in Chile yesterday with a delegation of Finnish businessmen. The Latin American countries are interested in Finland mainly because of its membership in the European Union and because of its trade experience with Russia. Minister Norrback, on his first visit to South America, is pleased that Finland is one of the most active investors in Chile of all the EU countries. Of the EU countries, Finland, Britain, Spain, Netherlands, and France invest most in Chile. According to statistics in Chile, Finland has been the biggest EU investor in Chile for the last five years.

The strong ties between Finland and Chile can be explained by the fact that bilateral trade works well. The main investments are in areas where both countries have something to offer. Finland imports copper, food stuffs, and wine from Chile. Forestry and metal industry technology are central in Finland's technology exports to Chile. The most important Finnish investors in Chile are the Outokumpu mining group and the Cultor group. Finnish exports to Chile are very different from exports to other Latin American countries, where paper is exported. Chile has extensive forests and is thus an exporter of newsprint and pulp.

Minister Norrback will continue from Chile to Argentina and Brazil.

Chile: First Rabies Death Since 1972

96P20359A Santiago LA NACION in Spanish 8 Mar 96 p 17

[By Gabriel Freire]

[FBIS Translated Excerpt] The Public Health Institute [ISP] received a total of 800 bats for analysis in 1995; 150 of them were carrying the rabies virus. So far this year, eight of the 150 samples, mainly from the country's central region, have been positive. ISP Director Dr. Jorge Sanchez reported this yesterday, as well as confirming that a child in Rancagua, Alvaro Vera Galvez, had died as a result of infection with the rabies virus.

Asked how it was possible that with such a high number of positive samples the appropriate preventive measures had not been taken, he said that "apparently we rested on our laurels," referring to the fact that a fatal case had not occurred since 1972. He described this as serious and "terrible for countries, for people, for everyone.

Going into detail about this event, Sanchez said that there was another factor and he did not know how it should be handled. He explained that he had seen rabies cases when he was a student, "but since 1972 there have been no cases, so the new generations of doctors have never seen a clinical case of rabies. They have only read about it in a book, they have heard the legend, and this means that when they are confronted with a case they have no experience."

Asked if the above had happened in the death of the Rancagua child, he asserted that this was not the case, since the measures for a rabies case were taken immediately, but it was already too late because the child had the symptoms, and from that point on (visible symptoms) it is almost impossible to save the person's life. [passage omitted]

As for how Alvaro Vera was infected, Sanchez said that it is not known. "The most serious suspicion is that it was from a bat, but this has not been confirmed. There was no bite, no perceptible point of entry, as we say technically. He may have been bitten and the scar healed, and that is why nothing was detected."

The ISP is now analyzing three bats that were captured near the house of the dead child in Donihue, 25 km southwest of Rancagua in the Sixth Region.

Colombia

Colombia: Comptroller Discusses Elections, Corruption

PA2503175496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0230 GMT 24 Mar 96

[FBIS Translated Text] Cucuta — Comptroller General David Turbay, who is visiting here, has made several announcements: One is that he is not withdrawing as a presidential candidate if there is a constitutional reform, as President Samper has proposed, and elections are moved forward.

Turbay said that if conditions are suitable, he would be prepared to run as a presidential candidate.

He also spoke about corruption and about the struggle being waged against it throughout the country and within his own office.

[Begin Turbay recording] We are not going to lose the battle against growing corruption before we start. We must strengthen internal control mechanisms, train the persons in charge of control procedures, recover institutional credibility, and offer a state of certainty within the transition period.

Institutional changes have not fully occurred in the country and the transition period is favoring corruption.

We have seen the results of investigations, the missing funds. Do we want these missing funds to increase in size? No. We want to see no missing funds. [end recording]

Colombia: Samper Rejects Resignation Option

PA2503225296 Santa Fe de Bogota EL TIEMPO in Spanish 25 Mar 96

["Excerpt" of interview with President Ernesto Samper by unidentified journalist; place and date not given — received via Internet]

[FBIS Translated Text] [EL TIEMPO] Why propose a constitutional reform to a Congress that is being very much questioned?

[Samper] I know Congress is being questioned. They are being questioned in all parts of the world but I think, like former President Gaviria, that Congress is the best site for handling the political crisis and its solution. I reject the assertion that the entire Congress is being questioned or is corrupt. There are exceptional cases that are being corrected. I must defend the large majority of congressmen.

[EL TIEMPO] Mr. President, is the cost of your defense being charged to the budget?

[Samper] You ask me that. We have not used the social solidarity network at any moment, and we have not changed the destination of regional or municipal allotments planned in the budget long before the crisis broke out. These allotments must be consistent with development plans approved almost two years ago. We have not used the government to assist my defense. Furthermore, the fact that the government did not interfere in the Chamber's decision (on the fate of the president), is the best evidence of my statement. Eventually, public voting would have been more useful for the government if it were true that it had commitments with all the congressmen. We never advocated public voting because we wanted Congress to make the decision.

[EL TIEMPO] But Mogollon and other members of the Accusations Commission have dispensations through third parties.

[Samper] And directly also. All congressmen have friends in the administrations, and many of them have had them for many years. It is no secret that congressmen have friends who hold posts at the regional and at the national level in this administration, had them in previous administrations, and in all the administrations.

[EL TIEMPO] This happens in normal, between quotation marks, situations, but when the president is on trial, would it not be better to do away with bureaucratic privilege and say: "My judges will hold no government post?"

[Samper] Now with the new law, my judges are all the Chamber representatives. What is important is to know that one is not unduly using government people who are friends, between quotation marks, of congressmen, to induce congressmen into adopting a particular decision. We are not doing it and we are not going to do it.

[EL TIEMPO] Why not promote an agreement so that neither you nor De la Calle [keep the presidency] and let Congress choose that person?

[Samper] The truth is that I have not considered any third person. I discard that formula because it revolves around the same reason why De la Calle does not take the presidency: Because I do not think that my resignation is the way out. A third person implies a resignation, something that I reject right now.

Colombia: Samper Says Solution Must Be 'Viable'

PA2603162696 Madrid EFE in Spanish 1930 GMT 25 Mar 96

[FBIS Translated Text] Bogota, 25 Mar (EFE) — President Ernesto Samper, who is under investigation by the National Congress for reportedly financing his presidential campaign with drug-trafficking money, stated today

that any solution to the current crisis that is plaguing his administration must meet three requirements: "It must be viable, constitutional, and democratic."

Samper stated the above during a television newscast interview. He added that he is not a "magician" who can wave a magic wand and come up with a solution, a solution should be found "by everybody." "A solution has to be prepared by all of us in order for it to work."

Samper also explained that his proposal to shorten his mandate and hold early elections, as he proposed last Friday, is one of several possibilities, because his only desire is for people to democratically choose whether or not they want his administration to continue in power.

Regarding the parliament, where he is scheduled to testify tomorrow on charges filed by the Prosecutor General's Office connecting him to drug trafficking, Samper expressed his conviction that "what really differentiates a dictatorship from a democracy is the existence of an open Congress."

The Accusations Committee is questioning Samper on the Cali Cartel's alleged contribution of between $5 million and $6 million to his 1994 electoral campaign.

In addition, three of Samper's ministers have been charged and must testify this week before the Supreme Court for their connection to the so-called "narcoscandal."

Colombia: INPEC Bolsters Security Measures Around Medina

PA2503143096 Mexico City NOTIMEX in Spanish 1807 GMT 22 Mar 96

[FBIS Translated Text] Santa Fe de Bogota, 22 Mar (NOTIMEX) — Today, the Colombian National Prison and Penitentiary Institute (INPEC) decided to increase security measures at the home of former treasurer Santiago Medina, prompted by rumors that he may have attempted to seek asylum at the French Embassy.

Colombian Justice Minister Carlos Medellin declared that as a precautionary measure, he had ordered the authorities to bolster security around Medina's home which is located in an exclusive sector north of this capital city.

Television newscast CMQ reported yesterday that the former treasurer of President Ernesto Samper's political campaign had been detained while attempting to jump over a wall close to the French Embassy to request asylum.

"The truth is that the news report has been distorted somewhat since it mentions an arrest, whereas no such thing took place," stated Medellin, who refrained from confirming or denying if the antique dealer [Medina] had attempted to jump over a wall to seek asylum at the diplomatic mission.

Medina is one of the main witnesses for the prosecution in the Case 8000 that seeks to clarify accusations related to the use of drug cartel funds to finance Samper's presidential campaign.

According to Medina's lawyer, Alejandro Hernandez, increasing death threats against his client have been the reason for which the legal procedures scheduled for these past few days had to be postponed.

He explained that despite the threatening messages, Medina, who has been granted house arrest as a result of this willingness to cooperate with the authorities, has no intention of fleeing the country or requesting asylum.

"Nothing of the sort is true, among other things, because there are other types of mechanisms one can utilize in that respect," Hernandez stated.

Medina's lawyer disclosed that on Wednesday evening — when according to the newscast report Medina had attempted to jump over the wall — the former treasurer of Samper's presidential campaign was at this home meeting with several INPEC officials discussing issues related to his personal safety.

In his disclosures before the prosecutor general, the man responsible for the president's election campaign finances accused several high-ranking government officials of complicity, including the president, three of his ministers, and 20 parliamentarians.

Medina claims that he has checks issued by Cali cartel leaders Gilberto and Miguel Rodriguez Orejuela in favor of [Samper's] political campaign to finance the 1994 election expenditures.

Colombia: Samper's Election Proposal Said 'Appalling'

PA2503172896 Santa Fe de Bogota EL TIEMPO in Spanish 24 Mar 96

[Report by Ernesto Cortes Fierro — received via Internet]

[FBIS Translated Text] — President Samper's proposal to schedule elections for an earlier date was called "appalling" by the country's congressional representatives.

First of all, the fact that the information related to Samper having "cooked up" this initiative for the past several weeks with business leaders and former presidents, left them feeling sidelined from the issue of such far-reaching consequences.

Second, Samper's proposal that any likely election rescheduling would affect only the presidency of the Republic and not Congress, is something that the parliamentarians have been unable to fathom.

Third, the liberals and conservatives have already carried out their respective assessments and came to the conclusion that neither party has any prominent figure within their ranks to oppose the wide-ranging support currently enjoyed by the so-called antipolitical candidates.

Senator Juan Renan Trujillo (Liberal-Valle), an acknowledged Samper supporter, stated that although he endorses the proposal, as far as being an attempt to reach a national agreement to prevent the country from slipping further downhill, any initiative must also include congress.

What causes the most concern among congressmen is the likelihood that together with earlier presidential elections, there could also be earlier parliamentarian elections — in other words — an impeachment, such as what took place in 1991. "What took place in 1991, where 90 percent of the candidates were reelected, will take place again," stated Ramon Elejalde, member of the Chamber of Congress First Committee.

The mere suspicion that an impeachment could become a reality has the parliamentarians predicting that congressional debates on rescheduling the elections for an earlier date will be an uphill battle.

Some congressmen contend that they had to go through a lot of effort and expense to obtain a seat in Congress and are not inclined to have to go through it again because of the president.

"The proposal was an honest one because it did not involve Congress, but it is not receiving any support, it is not an official proposal, and it has no spokesman," claims Senator Juan Martin Caicedo.

A senator from the coast region who chose to remain anonymous cautioned that "the government is underestimating it citizens. The population does not believe in what Congress has to say. Therefore, it would be very difficult for a reform, such as the one being proposed by the president, to pass. If it does pass, right away we will all have to leave."

On the other hand, there is also a major sector within the Liberal Party, not too close to the government, that is not opposed to the initiative itself, but to the stigma that such a proposal would generate.

This group, which is headed by Caicedo, Rodrigo Villalba, German Vargas, and conservatives like Alfonso Hoyos, are willing to prevent the rescheduling initiative, in order to keep from, as Caicedo said, "dragging a sector of the political class that has conducted itself honestly and has nothing to do with any alleged or proven links to drug trafficking through the mud."

If it were to occur that, against all odds, presidential elections were rescheduled for an earlier date, then we would have to deal with the issue of the candidates.

According to a Liberal Party leader and member of Congress, the government party would be the first "not to find the issue appealing" since it is very "battered." So far, no Conservative Party member has been linked to drug trafficking, but neither do they have any presidential figures.

If the mood in Congress this past Wednesday was one of confusion and skepticism on account of the summons for questioning made to the ministers, this coming week will be no better. "What lies ahead are unusual debates and more confusion," Elejade added.

Colombia: 'Little Progress' Seen in Cartagena Meeting

PA2503231696 Santa Fe de Bogota EL TIEMPO in Spanish 25 Mar 96

[Received via Internet]

[FBIS Translated Text] At the conclusion of the Cartagena Summit, the obligatory question is: What progress was made with regard to the previous meeting in Denver? What is the accumulated value of the meeting?

The answer is little progress was made. The status of the major issues of integration is practically the same as the one they had since the previous meeting in Denver.

There are no new accords on the means that will be employed to reach the Free Trade Area of the Americas [FTAA], the coverage of the agreement, or the guidelines that will serve to negotiate specific topics.

The deputy ministers simply got an order to reach the 1997 meeting to be held in Belo Horizonte (Brazil) with a more precise development of the topics under discussion. That is, more or less, the same thing that was said in Denver.

Optimist Viewpoint

This does not necessarily mean time was wasted. The ministers attending the meeting acknowledged the scant degree of progress but noted that slowness is a common element in the signing of commercial agreements of this magnitude.

They recalled that the negotiation process for the World Trade Organization (WTO) took seven years and that

in a process as complex as this one it is not possible to ask for results every year. They insisted that work is being conducted on a diagnostic of the situation and that only afterward will it be possible to begin the recommendations phase.

Also, the ministers pointed to the vitality of the private sector in the meetings that preceded the official discussions.

In fact, U.S. Trade Representative Mickey Kantor affirmed that he was "tremendously impressed" with what was done in Cartagena.

The key achievements were, then, the enthusiasm of the participants, the broad attendance and vitality of the private sector, the fact that the United States sent a large delegation at the highest level and showed a strong interest in the integration process, although in this election year political isolationist groups have gained an unprecedented strength, and the appearance of Cesar Gaviria as the leader of the integrationist program.

A final achievement was that there was no confrontation between the United States and Colombia over the topic of the decertification, which would have caused a polarization between the United States and Latin America.

President Ernesto Samper Pizano skillfully defused that possibility when he announced in his speech that this was a bilateral issue and that he did not deem it appropriate to discuss it in a multilateral forum such as the forum. The participants applauded with relief.

Still Pending

Therefore, everything is still pending to attain hemispheric integration. The ministers gave instructions so that the countries come to Belo Horizonte with defined conceptual frameworks for the negotiations on the different topics. At least three meetings of deputy ministers and multiple meetings of technical groups will be held throughout the year to fulfill this purpose.

In Cartagena, it also become evident that the gap separating the United States from the rest of the countries is big. The United States was inflexible in its petition that the negotiations on hemispheric integration include proposals on labor and environmental standards.

Major political groups in the United States think that allowing into that country products that do not meet local regulatory demands is tantamount to legitimizing disloyal competition and authorizing the loss of competitiveness of that country's factories and workers.

The less developed countries, however, have profound misgivings regarding a commercial integration based on those principles. Since labor and environmental standards are much stricter in the United States than in Latin America, an accord of this nature would allow U.S. products to enter the southern markets but would make access into the U.S. market very difficult.

The Latin American countries also have misgivings regarding the subsidies on farm production in the United States. That country has categorically refused to allow that the reduction of these subsidies be included in the list of topics of negotiations.

It is probable, however, that by 2005, when integration is to take place, the importance of this topic will have been substantially diminished since budget restrictions are forcing the United States to move in the direction of reducing subsidy amounts.

Colombia: Poll Shows Politicians' Approval Ratings

PA2703014896 Santa Fe de Bogota SEMANA in Spanish 19-26 Mar 96 p 23

[FBIS Translated Text] Colombian President Ernesto Samper maintains an important level of support amid contrasting opinions reflected by polls these days. According to a Gallup Poll conducted for SEMANA on 13 and 14 March, Samper obtained an approval rating of 41 percent and disapproval rating of 41 percent. The ratings obtained by the president, vice president, and possible presidential candidates was as follows:

	Favorable	Unfavorable
Antanas Mockus	69	19
Alfonso Valdivieso	64	18
Humberto de la Calle	57	24
Noemi Sanin	50	34
Carlos Lleras de la Fuente	47	20
Horacio Serpa	42	36
Ernesto Samper	41	41
Juan Manuel Santos	36	26
Bernardo Hoyos	31	36
Andres Pastrana	30	55

This is a Gallup Colombia poll conducted among 600 persons in the country's four largest cities on 13 and 14 march. It has a margin of error of more or less 4 percent and a reliability of 95 percent.

Colombia: Article Views President Samper's Options

PA2503225796 Santa Fe de Bogota EL TIEMPO in Spanish 24 Mar 96

[Article by Political Editor Jesus Ortiz Nieves: "An Extended and Steady Hand?" — received via Internet]

[FBIS Translated Text] The days prior to Passion Week have seen what could be understood at first as a softening of the most radical sectors in relation to the political crisis.

Some of the harshest anti-Samperists say that no solution is possible without the president's willingness.

This seems like a cliche, but the fact remains that in general terms the chorus of "conspirators" has only recited one verse: "The president must resign."

President Samper also softened his position. Even though nowhere does he consider resigning, he did speak this week of cutting back his term. It is the first time he does so since the breakout of the crisis over the entry of drug trafficking monies to his campaign.

This crisis, which is so Colombian in its style (which has been incorrectly compared to crises in Venezuela, Brazil, and even the United States with Nixon) begins the long run for the search of political agreements that remind one, for example, of the summoning of the Constituent Assembly, drafting the text of the new Constitution, and reversal of the congressmen's mandate.

This is why it is worthwhile to see part by part what has happened over the past few hours.

Passion Week

In political terms, Passion Week does not truly coincide with Holy Week. It is the week that starts next Tuesday with the depositions by the three ministers: Serpa, Pardo, and Turbay.

This fact brought about the president's multiple proposals to move the elections ahead, seek a national unity government or carry out a referendum to endorse his mandate as soon as Congress acquits him.

This range of possibilities recognizes the fact that a sub judice cabinet weakens far more his administration's governability base.

At the same time the government seeks to reduce the pressure on a situation that is already becoming untenable between the Office of the Attorney General and the Office of the Prosecutor of the Republic. The former has just suspended Hernan Jimenez, director of the Office of the Prosecutor General's technical investigations corps.

Additionally, it is said very insistently that Attorney General [Orlando] Vasquez Velasquez has ready for Easter an order to dismiss [Prosecutor General] Alfonso Valdivieso Sarmiento over an investigation when he was minister of education, a case that would preclude Valdivieso from taking up any public post. A judicial source said that there is a recording of Vasquez telling a senator this.

Thus the country would look on flabbergasted at a discussion in which no one would question Valdivieso for his work as prosecutor general, instead, for a relatively insignificant incident involving the transfer of some government land to a school.

The ministers' future is uncertain. For now they themselves have admitted that they could go to jail. In other words, Easter could be another Passion Week: three ministers removed from their posts and in jail, and a prosecutor general dismissed by the Office of the Attorney General. In the end, the much-announced "train crash."

With this outlook, governability is very difficult, and then the president made a whole range of proposals.

Everyone for Congress

The president's proposals have as basis: he does not resign and will not give up power to Vice President De la Calle.

An agreement of national unity is practically impossible because it would mean a sort of National Front in which the government and all opposing forces would need to be present: Andres Pastrana, Noemi Sanin, Juan Manuel Santos, Gaviria followers, and De la Calle's people, and also the Catholic Church, and businessmen, for example.

Pastrana has already reiterated that the solution is for Samper to resign and leave De la Calle in power.

The other two formulas, moving ahead the elections and a referendum, need to be approved by Congress.

The terms are practically impossible: a constitutional reform, according to President Samper himself, would have to be presented after the Chamber of Representatives' decision, by the end of May in the best of cases. There would be no time for the constitutional reform to pass through both the Senate and the Chamber of Representatives in less than a month.

It is utopia to think that the congressmen, having the possibility of reforming the Constitution to shorten the president's term, fail to take advantage of this to discuss

other important topics such as the judicial system. In addition, the government's proposal implies reforming the parties and placing limits on campaign financing.

Anyway, it would entail changing half the Constitution in a race against time. The appropriate question then becomes: "Is it not appropriate to cut back the term for congressmen if the president's term is cut back?

The president's proposals were making more than one political leader believe that Samper craftily threw a silk handkerchief for the sole purpose to keep a firm hand.

Colombia: Article Criticizes U.S. Envoy, Urges Unity

PA2703001196 Santa Fe de Bogota EL ESPECTADOR in Spanish 22 Mar 96 p A2

[Article by Ramiro de la Espriella]

[FBIS Translated Text] Through letters and telephone calls, General Jose Manuel Bonett Locarno, director of the War College, has repeatedly asked me to come hear the speakers he has invited to instruct these important listeners. Having read the list [of speakers] for the meeting, I told General Bonett: "No, I am not going. I just have to see the way they walk to know them," as don Miguel Antonio Cario used to say maliciously.

What can National Defense Minister Juan Carlos Esguerra, a man who hasn't learned to march in rhythm with military bands and who hasn't learned to fall in step, teach the Colombian military? What can Mayor Antanas Mockus, dressed in a clown's suite astride the white elephant of his administrative inefficiency, teach the military? Or journalist Antonio Caballero, who during his childhood never even played with toy soldiers? Or any former Colombian president, one of those ill-intentioned persons who emasculate the army and prevent it from fully carrying out the fatherland's mission? Or proconsul Myles Frechette, the bridgehead of U.S. intervention in Colombia, teach the army?

The only thing lacking is the invitation of Venezuela's Defense Minister to complete the picture of our nation's desolation.

For example, why didn't Bonett invite Luis Carlos Sachica? Or Alvaro Uribe Rueda? Why didn't he invite me? In the past, I had the opportunity of teaching in my classes at the War College such soldiers as Jose Joaquin Matallana, Luis Carlos Camacho Leyva, Rincon Quinones, Admiral Alfonso Diaz Osorio, and Ovalle Paz, among others.

What the Colombian Armed Forces needs to do now is to rescue its mission as the guardian of national sovereignty and the Political Constitution of Colombia. It needs to keep in mind its oath to defend the nation's political institutions, not governments deviating from their patriotic mission.

The army is an integral part of the nation's generating nucleus which grew as the army grew during the fight for independence.

What Colombia aspires is to recover the destined unity of its historical mission. This is why the *fraternal bond* [corda fratres] is indispensable between the army, that is not militarism, but the fatherland in arms; and the economic groups that are not the oligarchy, but Colombia's industry; and the workers unions, who are not revolutionary extremists, but the nations work force; and the clergy, who is not living in a cloister, but Christ's words of redemption; and students, who are not youthful prattle, but the future of the country; and lastly, the anonymous people which wretchedly await redemption.

Simply put, soldier to the front and civilians to cover the rear guard.

In French its is written *Bonnet* and means the same as *bonnet*, or *cap*, a cap which could very well be a military cap.

Colombia: Businessmen Differ on FTAA Mechanisms, Scope

PA2503160396 Santa Fe de Bogota EL TIEMPO in Spanish 24 Mar 96

[Report by Antonio J. Urdinola — received via Internet]

[FBIS Translated Text] A meeting of businessmen and commerce ministers from all the countries of the hemisphere was held last week for the purpose of spurring interest in the creation of Free Trade Area of the Americas, better known as FTAA. Although the general interest in this plan is clear, this is not the same with the project's precise mechanisms and overall scope.

Latin Americans are aware that the U.S. market is the most open in the world and it is no coincidence that in the case of Colombia, for instance, 40 percent of our exports to that country correspond to manufactured products, a higher proportion than with the European Union or Japan, which basically purchases our raw materials. The problem with the U.S. market lies in the lack of access guarantees, given the well-known tendency of that country to impose unilateral restrictions whenever it deems them appropriate.

Latin America is, therefore, seeking stability in export conditions more than tariff reductions on the part of the United States. To do this, it has proposed utilizing the guidelines of the Word Trade Organization [WTO],

preferably because of its multilateral nature. For the United States and Canada the topic is different. In their status as exporters of capital and technology, they place greater emphasis on the provisions that affect foreign investment, and request that they be applied in an honestly and unilaterally. The treatment as national companies is a basic tenet for them, and so is the protection of industrial and intellectual property. In Cartagena, there was a noticeable interest on the part of U.S. companies in areas such as public service, physical infrastructure, and the sale of technology. However, a conceptual difference exists among Latin American countries, like Brazil, that are seeking to expand their industrialization process, and others that accept their traditional role of suppliers of raw materials and traditional low-technology manufactured goods. For the latter, the lifting of tariffs in a prompt and accelerated manner does not entail a very high price in exchange of guarantees of access into the U.S. market, whereas for the countries that aspire to control new industries derived from the revolution in electronics, communications, biotechnology, and new materials it's a different story.

For these countries, it is necessary to maintain the possibility of protecting fledgling companies through mechanisms such as eligibility [habilitacion], which exist in the WTO, that make it possible to withdraw one product from the tariff removal program when that product is manufactured or is preparing to be manufactured in a country.

Colombia: Effect of Crisis on Position Within NAM Viewed

PA2503034296 Santa Fe de Bogota EL TIEMPO in Spanish 24 Mar 96

[Report by Francisco Celis Alban — received via Internet]

[FBIS Translated Text] Not even the most pro-government foreign policy commentators have stopped recognizing that the country's international image is going through an unprecedented crisis and that the subpoena to Minister Rodrigo Pardo Garcia-Pena dealt a heavy blow to the plans of the Samper administration in this field. The foreign minister is right when he says that it is very difficult to make the international forums understand that, given the current Colombian situation, it is possible to go from the San Carlos Palace to jail.

There are very few possibilities of moving forward with the one that had intended to be an innovative leader in the Nonaligned Movement [NAM], because the government's weakness has stripped it of all its negotiating abilities.

An international commentator in contact with the New York Bureau, where the group has its headquarters, maintained that very moderate NAM countries (most of them are moderate) are concerned about the manner in which this absence of political clout could definitely affect the movement for which, as was expected, Colombia was responsible for rescuing from oblivion and reviving.

As they elected Colombia as their leader, the NAM countries had sought to present a neutral country with traditionalist foreign policies that would allow them to get closer to the United States. They did not find what they were looking for. "We elected one Colombia and got another."

This is without counting the repeated cancellations of visits that had been amply announced by both President Ernesto Samper and Foreign Minister Rodrigo Pardo. Read, among others, Japan, China, the Vatican, France, Spain, and Italy.

According to the same analyst, this has been the price of "leaving behind the low profile Colombia had always had to become a leader of the NAM, which is the epicenter of disturbances at the United Nations."

Not even when a few ambassadors left their posts to exert pressure for the departure of Samper did it make as much impact on the foreign perception as the subpoena to Pardo.

The panorama is being depicted as very complex, as the United States is exerting pressure to revive extraditions; President Clinton is engaged in a campaign that will become tougher by the day on Colombia; there is a Colombian-Venezuelan border plagued with incidents; Colombia is heading the group of troublesome nations by making confusing statements on international conflicts; and the Andean Pact has come to a standstill in a whirlpool of attempts to be reinstitutionalized, attempts that keep failing.

What would happen if, as Pardo is said to have considered, the minister cannot return to his post following his forced vacation? It is obvious that the government would appoint his replacement as soon as possible; however, then the next question is how is the country going to recover from the very high degree of vulnerability it has acquired in the international arena? Unfortunately, the answer is that the appointment of a new minister will not resolve this.

Colombia: Measures To Fight Money Laundering Announced

PA2703005396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2224 GMT 26 Mar 96

[Report by Orlando Cano Vallejo]

[FBIS Translated Text] The government adopted harsh and drastic measures this afternoon to cope with money laundering, smuggling, forged public documents, and swindling. The executive made the decision to try to make the production sector more accountable on the matter of imports. Foreign Trade Minister Morris Harf Meyer explains the measure to Caracol.

[Begin recording] [Harf] They consist of empowering the Incomex [Foreign Trade Institute] director to prevent under invoicing of the country's imports, and verify that all imports conducted in Colombia are paid through the exchange market. In other words, all importers must submit their respective exchange statements, so that the dollars or foreign currency with which they pay for those imports are purchased on the institutional market.

[Unidentified reporter] How is the exchange of information going to take place?

[Harf] There are basically three sources of information. First, there is Incomex, which issues the import registry. [end recording]

These are major measures taken by the Foreign Trade Ministry to deal with the need to eliminate money laundering and smuggling, which are causing grave harm to Colombia's production sector.

Ecuador

Ecuador: Polls Show Nebot Leading Presidential Candidate

PY2603134696 Quito Voz de Los Andes in Spanish 1700 GMT 25 Mar 96

[FBIS Report] Two months away from the presidential elections in Ecuador, 24 percent of the voters have still not decided whom they will vote for. According to the results of the poll conducted by the private company Cedatos published today, 25 percent of the people said they would decide who to vote for during the campaign; 32 percent just before the elections; and 41 percent on the day of the elections. Of the 76 percent of the people who have reportedly made up their mind, 36 percent said they could change their mind during the coming weeks. According to previous polls, 30 percent support rightist candidate Jaime Nebot; 24 percent have still not made up their mind; 18 percent support independent candidate Freddy Ehlers; while 13 percent support center rightist candidate Rodrigo Paz. The poll was conducted in 20 of the 21 provinces from a pool of 4,500 people.

Ecuador: Peru's Accusations on Troops Denied

PY2703005196 Quito Voz de Los Andes in Spanish 2300 GMT 26 Mar 96

[FBIS Translated Text] Ecuadoran Defense Minister Alfonso Alarcon Sevilla has said Peruvian accusations that Ecuador has supposedly infiltrated troops in the demilitarized zone are absolutely groundless and the Ecuadoran Armed Forces will not accept them. He said that Ecuador has fulfilled all provisions of the Itamaraty Peace Agreement and all that which is included in this process.

The defense minister added that the only objective of these accusations is to distract public opinion or to thwart the peace process implemented by the two countries.

Ecuador: Differing Outcome of Recent Strike Viewed

PY2603191996 Madrid EFE in Spanish 0105 GMT 26 Mar 96

[FBIS Translated Text] Quito, 25 Mar (EFE) — Peasant leaders and government officials have differing evaluations of the first day of the indefinite strike by small farmers who want their debts with the National Development Bank (BNF) condoned.

Luis Alvarado, president of the Second Zone Strike Committee, said the strike "was a success. We are continuing it because the government made fun of us." He accused Agriculture Minister Mariano Gonzalez of refusing to talk with the peasant leaders.

The peasant leaders began their strike when the government vetoed the draft law pardoning debts of "all" debtors, but the government said it was only willing to pardon farmers who have less than 10 hectares.

"The peasant leaders rejected the new bill submitted by President Sixto Duran-Ballen because we are not asking for BNF funds as a gift, what we want is that justice be done," said Alvarado who added that 50 people were arrested and many were injured during the police repression.

The National Communications Secretariat said the strike went unnoticed in several regions and that in some sectors "the peasants are yielding and reopening highways."

Gonzalez rejected the strike saying: "This is not the appropriate way to solve the country's problems."

Several radio stations in important parts of Ecuador said "the paralyzation of activities of the peasants was

not felt," adding that after "a temporary blockade of highways, the situation returned to normal at about noon."

Guayas — whose capital is Guayaquil, Chimborazo, and part of Los Rios were the provinces most affected by the peasant strike that prevented the public and cargo transportation.

Unconfirmed reports state that government officials and peasant leaders will meet in the next few hours to seek a solution to the peasants' demands.

Paraguay

Paraguay: Minister on Lack of U.S. Support To Fight Drugs

PY2603155096 Asuncion NOTICIAS in Spanish 26 Mar 96 p 6

[FBIS Translated Text] Foreign Minister Luis Maria Ramirez Boettner held a news conference at the Foreign Ministry on 25 March, during which he made clear his portfolio's position regarding remarks made by Timothy Wirth, U.S. State Department under secretary for global affairs, during his recent visit to the country. Wirth said that in Paraguay some authorities behave like "friends" of the "narcos" and know the route by which the drug transits the country.

The foreign minister said he was surprised by the high-ranking U.S. official's remarks. Ramirez Boettner said: "It seems odd because we had lunch with him and President Juan Carlos Wasmosy at the presidential residency. The meeting lasted more than three hours and he congratulated us for everything we have done to fight drug trafficking so far."

The foreign minister believes that there was a misinterpretation of what he said, or even "a play on words mistranslated" during the news conference.

Ramirez Boettner said he does not believe such a high-level U.S. official would say one thing in private, during a meeting that lasted more than three hours, and then say something totally different to the press.

The minister said that our government maintains that the transit of drugs through Paraguay is sporadic and that local authorities ignore the route used by drug traffickers. "We asked the United States if they knew those routes on several occasions and U.S. officials always answered no. Therefore, the remark that we know the route is not based on the truth," Ramirez Boettner said.

The foreign minister harshly questioned the U.S. Government for repeatedly refusing to give us help in infrastructure to fight the scourge of drugs. "On several occasions we requested two or three helicopters and radars from the United States in order to control clandestine flights and to be able to determine where drug traffickers are doing their business," the minister said.

In comparison, Ramirez Boettner added, the "U.S. Government gave Bolivia and Venezuela many 'Apache' helicopters, but they gave us absolutely nothing. They insist that only the intelligence services can uncover how drugs cross the territory.

The minister insisted that Paraguay "does not have a direct channel for shipping drugs to the United States, the transit also occurs through other countries. Why do U.S. officials only point at Paraguay saying that the problem for certification is transit? We cannot understand this, the minister added.

The foreign minister stressed that consumer countries must attack the problem head-on, "because if there is consumption there must be demand, and if there is demand there will be production. The fight must start in the United States with the hardest drugs," the minister said.

Paraguay: Ministry Protests Lack of U.S. Antinarcotics Aid

PY2603174896 Asuncion NOTICIAS in Spanish 26 Mar 96 p 6

[FBIS Translated Text] This morning the Foreign Ministry sent a memorandum to the U.S. Government making clear its protest over the lack of U.S. economic and operative aid to fight drug trafficking.

The document contains Paraguay's official answer to the objections mentioned by Timothy Wirth, U.S. State Department under secretary for global affairs, who questioned Paraguayan authorities' efficiency in the area of drug enforcement.

"Paraguay's executive branch has the highest political will to fight drug trafficking and eradicate all derived problems such as corruption and money laundering. This effort must be widely shared by other state powers and the citizenry. The entire society must understand that we must launch an all-out struggle to eliminate drug trafficking in the form of transit through our territory," the document says.

The Foreign Ministry adds: "We may ask how those products cross the country in transit to the United States because there are no direct connections of any kind between Paraguay and the United States.

The drug also goes through other countries in transit, which are possible greater consumers. However, all

those countries — our neighbors or U.S. neighbors — have full certification."

"To deny that there is political will is to refuse to recognize Paraguay's efforts in this area and the money it spends to implement controls when we have other urgent social priorities, particularly now that we are using our money to purchase helicopters to fight this scourge that increasingly affects industrialized countries in the First World. As long as there is a growing demand there will be production, and transit to satisfy an inexhaustible demand."

Paraguay: Country Fighting Drugs in 'Solitude'

PY2603191796 Asuncion NOTICIAS in Spanish 26 Mar 96 p 6

[FBIS Translated Text] "The fight on drug trafficking in Paraguay is carried out in almost total solitude. We have very little help from the United States to confront cocaine traffickers, who use much more advanced technical means," Defense Minister Hugo Estigarribia said on 25 March when asked about remarks made by Timothy Wirth, U.S. State Department under secretary for global affairs.

During a lightening visit to our country, Wirth said that high-ranking government authorities know the drug traffickers' route and that they should stop being their "friends."

Minister Estigarribia said that things changed after the U.S. Embassy issued a clarification.

Absurd Declarations

"I thought that without a denial Mr. Wirth's declarations were absolutely absurd [desatinadas] because if he had evidence to say who the alleged drug traffickers' friends were, the United States had the obligation to tell Paraguayan authorities about them a long time ago, something they did not do," Estigarribia said.

The minister said that yesterday's U.S. Embassy denial clarifying Timothy Wirth's remarks have relieved him of the need to comment on them.

Antinarcotics Efforts

Estigarribia said that Paraguay is making efforts to fight drug trafficking and that the country needs the U.S. materiel assistance to broaden the fight on drug traffickers who use Paraguay and other countries as a transit point.

The minister said that the reason we are a transit country is because we have a neighbor that produces drugs — Bolivia — from where drug traffickers cross our long common border in transit to other countries. This is why we need the U.S. cooperation.

Peru

Peru: Reported Troop Increase on Ecuadoran Border Denied

PY2603213896 Madrid EFE in Spanish 1704 GMT 26 Mar 96

[FBIS Translated Text] Lima, 26 Mar (EFE) — According to a Peruvian diplomatic source cited today by the Lima newspaper GESTION, Peru has not increased the presence of military troops on the border with Ecuador, much less in the demilitarized zone agreed upon by the two countries.

The Ecuadoran National Communications Secretariat (Senacom) on Monday reported in Quito that Peru is increasing the number of military troops on the border, especially in the demilitarized zone.

It also announced a Peruvian attempt to unilaterally suspend negotiations until the government is changed in Ecuador.

The source consulted by GESTION states that it is just an "excess of distrust" on the part of Quito, and recalled that the Lima government respects the agreement of not having more than 50 men per post within the demilitarized zone.

He thus denied any interest in increasing the number of military troops in the other posts on the common border.

"We have no interest in violating the agreements, much less when it refers to something so easy to verify, something which would deceive us easily," he said.

The report from Quito also states that "the Lima government is giving signs of being unwilling to fulfill the arrangement of meeting with Ecuador in Quito before 23 April in order to resolve the mechanisms that must be adopted to have transparency in the purchase of weapons" by the two countries.

Thus, the diplomatic source said that Peru is interested in meeting with Ecuador to view this matter, which military representatives from the two countries will discuss.

Although the Peruvian and Ecuadoran foreign ministers agreed that Quito would be the site for the next meeting, Peruvian Foreign Minister Francisco Tudela has outlined a proposal to choose a neutral country to avoid pressures from the press and from public opinion.

"It is an agreement, and if Foreign Minister Galo Leoro does not have the same opinion, Peru will not insist further on the point. It obviously would respect the idea that the next talks be held in Ecuador," GESTION reports.

The Peruvian diplomatic source added that his country wants to proceed with the talks with the government of Ecuadoran President Sixto Duran-Ballen, although he is a president who is in the last stage of his term in office.

"We must continue with the issue of procedures before discussing the most important issue: the 'impasses' (disagreements)," he said.

Peru and Ecuador are conducting a peace process with the endorsement of guarantor countries of the 1942 Rio de Janeiro Protocol (Argentina, Brazil, Chile, and the United States) in the wake of the war they waged in January and February 1995 over a strip of their Amazon border that has no border markers.

Peru: Daily Assesses Appointment of New U.S. Ambassador

PY2303031296 Lima EXPRESO in Spanish 22 Mar 95 p 2A

[Commentary by Manuel d'Ornellas: "The New Man From Washington"]

[FBIS Translated Text] It sounds like bad news but maybe it is not: The new ambassador the United States is sending to Peru is an official currently serving as U.S. ambassador in the former Portuguese colony of Mozambique, Africa, named Dennis Jett. He replaces Alvin Adams who, in turn, came from Haiti to Peru almost three years ago and with whom we are already familiar.

Somehow or other, the previous post conditions the image of the recently appointed ambassador and also suggests the hierarchy Washington grants Peru among its priorities. Adams came from Port au Prince to Lima. Jett is being transferred from Maputo to what Pizarro very proudly called the City of Kings. This insinuates a similarity, with all due respect to the Haitians and Mozambicans, that is annoying.

But the experts maintain that there is no reason for concern over this appointment; quite the contrary. They maintain that Dennis Jett is a 50-year old — not 30 as a press report published by EXPRESO on 21 March said — official with an outstanding career, and that he has been specially chosen for this post by Alexander Watson, assistant secretary for Inter-American affairs, who was U.S. ambassador in Lima.

Of course, Watson will leave his current post at the end of the month to engage in private activities. The Latin American ambassadors have already started to bid him farewell. Jett, in turn, has already worked with Luigi Einaudi, the ambassador who represents the United States in the group of guarantors of the Rio de Janeiro Protocol.

Does Einaudi have something in mind that may modify the Peruvian-Ecuadoran relationship and that must be carried out by Jett? This is an assumption for those who like to look into such stories as the magazine SI.

In any case, what our sources in Washington say is that Dennis Jett's appointment should be interpreted positively as a U.S. effort to improve the bilateral relations deteriorated by the self-inflicted coup of 5 April 1992 and Adams' consequent appointment, overlooking the U.S. Embassy participation — that was never clarified properly — in the aborted coup of November 1992, headed by General Salinas Sedo.

Suriname

Suriname: Barred Opposition Parties Allowed Into Elections

BR2603153896 Rotterdam NRC HANDELSBLAD in Dutch 23 Mar 96 p 2

[Unattributed report: "Surinamese Parties Participating In Elections After All"]

[FBIS Translated Text] Paramaribo — The three Surinamese opposition parties which had been barred from the 23 May elections by the central polling committee, can take part in the elections after all. This was decided by President R. Venetiaan yesterday.

Last Friday, the central polling committee barred the Democratic Alternative '91 (DA), the Progressive Development Alliance and the General Liberation and Development Party from the elections. The reason given was that they allegedly failed to meet the condition that their membership lists must include at least one percent of the registered voters in Suriname. President Venetiaan had the three submitted membership lists compared to the Central Civil Affairs Office's file. This comparison revealed that the three political organizations did indeed meet the 1-percent condition.

Last week, the central polling committee decided to refuse the parties because their membership lists were incomplete. As a result, the computer of the Central Office of Public Mechanical Administration was unable to confirm the existence of the persons listed. The polling committee refused to let the barred parties examine the list of persons it had dropped from the membership lists. For this reason, Ernie Brunings from the Democratic Party claims there is enough reason to doubt the impartiality both of the central polling committee and of the president. Brunings believes the polling committee made its decision under political pressure. "What should have taken place but did not, is an accurate verification," Brunings says.

Venetiaan refused to react to the doubts about his impartiality, since none of the parties informed him in writing that his impartiality was in question. In addition, he sees no reason to have the Central Polling Committee's impartiality and integrity investigated, because the government does not question the latter.

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